

GEORGIA PUBLIC SERVICE COMMISSION

2005 Annual Report



**Chairman Angela Elizabeth Speir
Vice Chairman Robert B. Baker, Jr.
Commissioner David L. Burgess
Commissioner H. Doug Everett
Commissioner Stan Wise**

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Table of Contents

Letter To The Governor	2
Executive Summary	3
History and Mission of the Commission	6
Public Service Commissioner Profiles	7
Angela Elizabeth Speir	7
Robert B. Baker, Jr.	8
H. Doug Everett	9
David L. Burgess	10
Stan Wise	11
Public Service Commission Managerial Personnel	12
Utilities Division	13
Electric	13
Natural Gas	17
Telecommunications	23
Consumer Affairs	29
Facilities Protection	41
Administration Division	45
Budget and Fiscal Office	45
Executive Secretary	45
Human Resources Office	46
Public Information Office and Legislative Liaison	47
Information Technology Office	49
Transportation Unit	51
Agency Budget	53
Organizational Chart	54

LETTER TO THE GOVERNOR

January 1, 2006

The Honorable Sonny Perdue
Governor of Georgia
Office of the Governor
State Capitol
Atlanta, Georgia 30334

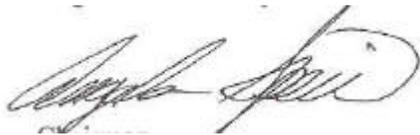
Dear Governor Perdue:

The Georgia Public Service Commission is proud to present its 2005 Annual Report which highlights the agency's major achievements during the past year regarding the state's utility industries.

Despite an ever-changing regulatory environment and diminishing resources, the Commission continues to ensure that Georgia consumers receive the best possible value in utility and transportation services, while enforcing natural gas pipeline safety and protecting the utility infrastructure from damage.

The Georgia Public Service Commission looks forward to serving Georgia's citizens in 2006 and contributing to the state's economic growth and development.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read 'Angela Speir', is written in black ink. To the right of the signature is a vertical line.

Angela Elizabeth Speir, Chairman
Robert B. Baker, Jr., Vice Chairman
David L. Burgess, Commissioner
H. Doug Everett, Commissioner
Stan Wise, Commissioner

EXECUTIVE SUMMARY

The Commission's major achievements during 2005 regarding utility regulation, transportation, pipeline safety and facilities protection are set forth below.

ELECTRIC

The Commission approved a settlement in the Savannah Electric and Power Company rate case that resulted in a \$9.5 million annual revenue increase contrasted to the Company request for a \$23.8 million annual revenue increase. The settlement is part of a multi-year accounting order that freezes rates until November 2007. Under the terms of the agreement, the low-income senior citizen discount will increase \$6 per month from a \$14 to a \$20 credit on their monthly electric bills.

The Commission's decision in the Georgia Power Company fuel cost recovery case lowered the increase electric customers will see in their bills. The Commission spread the collection of under-collected fuel costs over a 48-month period, reducing the impact on ratepayers.

As requests for increases in fuel costs have reached record setting levels approaching the amount of base rate increases, the Commission in February initiated an investigation into fuel procurement practices, including fuel forecasting, pool dispatch and pricing. The Commission expects that this investigation will result in a rule-making that will revamp the fuel cost recovery process and establish minimum filing requirements in future fuel cost cases.

NATURAL GAS

The Commission approved the release of an additional \$6 million from the Universal Service Fund (USF) to give qualified low-income citizens and senior citizens in Georgia some relief for the 2005 winter heating season. Since the Fund's inception, the Commission has disbursed more than \$27 million in assistance.

The Commission rejected Atlanta Gas Light Company's rate request of \$147 million and instead, adopted a stipulated agreement that freezes the Company's base rates for five (5) years, through November 2010. In addition, the pipe replacement costs, billed to ratepayers through a separate surcharge, will be reduced by \$25 million over the same 5-year period. The Commission also increased the low-income senior citizen discount from \$10.50 to \$14 a month.

In April 2005, the Commission approved a \$328,000 disbursement from the Universal Service Fund (USF) for the construction of a high pressure steel natural gas line to

serve a major economic development project in Liberty County that is expected to create up to 800 jobs by the end of 2007. The Commission in September approved \$397,000 in economic assistance from the USF for a development in the Savannah area. The project will extend a natural gas line 2,500 feet under the Savannah River to Hutchinson Island to initially serve 160 residential units.

The Commission approved SCANA Energy as the Regulated Provider of natural gas for a two-year term, ending September 2007. The low-income senior citizen discount rate will decrease by ten cents a therm, their monthly service charge will drop by \$1 and the \$100 deposit requirement will be waived. SCANA Energy has served as the Regulated Provider since the program's inception in September 2002.

The Commission approved the application of Commerce Energy, Inc. for a natural gas marketer certificate of authority, bringing the number of gas marketers in the state to 11 (10 of which are actively serving customers).

The Commission's decision in the Atmos Energy Company rate case resulted in an increase of about 38 cents a month for the Company's 70,000 customers in the Columbus and Gainesville areas. Atmos had requested an increase in the average residential monthly bill of around \$4.50.

TELECOMMUNICATIONS

The Commission approved a fine of \$100,000 against AT&T to resolve allegations that the Company improperly billed more than 40,000 Georgia consumers a \$3.95 monthly recurring charge for long distance services. AT&T has corrected its billing system and issued apology letters, refunds and credits totaling over \$180,000 to all affected Georgia customers. AT&T also agreed to provide 2,700 prepaid calling cards for distribution to soldiers of the Georgia National Guard serving in Iraq and Afghanistan.

On June 24, 2005, the Commission announced the release of "762" as the new overlay area code to provide area code relief in the 706 service area, affecting Athens, Augusta, Columbus, Cornelia, Dalton, LaGrange, Rome and Toccoa. Based on current estimates, another area code in these service areas will not be needed for another 13 years.

The Commission expanded participation in the Lifeline Assistance and Link-Up Georgia programs. Lifeline Assistance provides up to a \$13.50 credit on qualified residential customers' bills in BellSouth's service area. Link-Up Georgia reduces the cost of telephone installation by one-half. On September 20, 2005, the Commission approved two measures to assist Hurricane Katrina evacuees in Georgia to establish telephone service and receive low-income discounts under these programs.

Hamilton Telephone Company of Aurora, Nebraska was selected as the new provider for the Georgia Telecommunications Relay Service (TRS), effective April 1, 2006. The

Commission continues to administer the Georgia Telecommunications Equipment Distribution Program, providing specialized telecommunications equipment to Georgians with hearing and speech impairments. To date, over 800 citizens have received more than 1,600 equipment items under the program.

The 2005 General Assembly passed House Bill 669 which mandated the creation of a state-wide Audible Universal Information Access Service to provide blind or otherwise print disabled citizens with telephonic access to print media publications. The Commission is required to have this service established no later than July 1, 2006.

CONSUMER AFFAIRS

In mid-2005, staff members of the Consumer Affairs Unit made presentations to community groups in Macon and Savannah to explain the various functions of the Commission and how the Commission can assist consumers with utility bills.

TRANSPORTATION

The 2005 General Assembly approved House Bill 501 that abolished the Department of Motor Vehicle Safety (DMVS) and created the Department of Driver Services (DDS). The bill also assigned certain DMVS functions to the Commission, including the regulatory authority for household goods carriers, limousines, buses and nonconsensual towing. Two staff members from DMVS were reassigned to the Commission to manage the motor carrier programs and maintain regulatory responsibility.

LOCAL AND NATIONAL ACTIVITY

Commissioner Angela Elizabeth Speir made history as the first woman to chair the Public Service Commission when she presided over the Commission's Administrative Session on January 18, 2005. Commissioner Speir was the first woman elected to the Commission in November 2002 and only the second Republican woman elected to a statewide office.

Commissioner Doug Everett was elected Second Vice-President of the Southeastern Association of Regulatory Utility Commissioners (SEARUC), which means he will assume the Presidency in 2008. The Commissioner was also named to the Georgia Agrirama Development Authority, which is headquartered in Tifton.

Commissioner Stan Wise met with Under-Secretary of Energy David Garman in December to voice concerns that recent federal action may cause delays in the implementation of the Yucca Mountain Nuclear Waste Storage Facility in Nevada. Since 1983, Georgia electric consumers have paid over \$518 million into the Nuclear Waste Fund, yet nuclear waste continues to be located on nuclear plant sites in the state, with storage expected to reach capacity in 2015.

HISTORY AND MISSION OF THE COMMISSION

HISTORY

On October 14, 1879, Georgia became one of the first states to establish a regulatory body to resolve complications resulting from increased railroad expansion and competition. Known at that time as the "Railroad Commission of Georgia," the members of this body originally were appointed by the Governor for the purpose of regulating railway freight and passenger rates. In 1906, the Legislature allowed the voters to elect the Commission.

In 1891, telegraph and express companies came under the Commission's jurisdiction. Sixteen years later, the Legislature gave the Commission authority over docks and wharves, as well as telephone, natural gas and electric companies, and increased the number of Commissioners from three to five. The Legislature further expanded the Commission's jurisdiction in 1931 when it authorized the Commission to regulate the trucking industry. Cognizant of the changing role of this regulatory body, the General Assembly in 1922 changed the name of the Railroad Commission of Georgia to the Georgia Public Service Commission. In 1943, the Commission became a constitutional body. Its powers and duties are established by the legislation and described in Georgia Code, Title 46. In 2001, the Commission handed over trucking regulation to the legislatively created Department of Motor Vehicle Safety (DMVS). However, the General Assembly in 2005 restructured the DMVS and returned the regulation of passenger bus, luxury limousine, household goods movers and non-consensual towing to the Commission.

MISSION

The Commission is a quasi-legislative, quasi-judicial agency comprised of five Commissioners elected on a statewide basis. The Commission's mission is to exercise its authority and influence to ensure that consumers receive safe, reliable and reasonably priced telecommunications, electric and natural gas services from financially viable and technically competent companies. The regulatory side of the Commission's activities is most prevalent in relation to investor-owned natural gas and electric power utilities. The Commission has the authority to set rates, require long-range energy plans and projections, provide for the safety of natural gas pipelines and protect underground utility systems from damage.

Over the past decade, growth, competition and technological advances have significantly changed the Commission's role. With the onset of competition in the telecommunications and natural gas industries, the Commission facilitates market development and arbitrates complaints among competitors. This trend is expected to continue.

PUBLIC SERVICE COMMISSIONER PROFILES



Angela Elizabeth Speir

Commissioner Since: January 1, 2003

Elected: November 5, 2002

Serves Through: December 31, 2008

Republican, Duluth, Georgia

Chairman, Georgia Public Service Commission

Angela Elizabeth Speir is the first woman elected to the Public Service Commission and the second Republican woman elected to a statewide office. In 2005 she became the first woman to chair the Commission. A Georgia native, Commissioner Speir grew up in DeKalb County and graduated from Agnes Scott College with a B.A. in Biology. She is also a graduate of CEO International.

After graduation from Agnes Scott, Angela Speir served as the Assistant Administrator of the medical complex at the United Methodist Children's Home providing medical aid and counseling to children who are victims of abuse.

She first ran for public office in 1992 as a candidate for the Georgia State Senate.

Ms. Speir's interest in helping others led her to a career in the employment industry. Through positive leadership and mentoring, Ms. Speir is recognized as a leader in the field.

Georgia Trend Magazine has named Ms. Speir as one of their 100 Notable Georgians for 2006. Ms. Speir is a member of the National Association of Regulatory Utility Commissioners Committee on Telecommunications, the Gwinnett County Chamber of Commerce and the CEO Executive Roundtable.

Ms. Speir is a supporter of the Gwinnett County Children's Shelter, The United Methodist Children's Home, and Children's Healthcare of Atlanta. Commissioner Speir and her husband reside in Gwinnett County.



Robert B. Baker, Jr.

Commissioner Since: January 1, 1993

Elected: 1992; Re-Elected: 1998, 2004

Serves Through: December 31, 2010

Republican, Clarke County, Georgia

Vice-Chairman, Georgia Public Service Commission

Robert B. Baker, Jr., won re-election to a third six-year term on the Commission in 2004. In 1992, he was the first Republican elected to a statewide office since Reconstruction. Baker grew up in DeKalb County and graduated from Oglethorpe University with honors. He received his law degree from the University of Georgia.

After graduating from law school, Commissioner Baker joined the Southeastern Legal Foundation, a regional conservative public interest law firm, and later entered private practice.

In 1994 Baker became the first Republican to serve as Chairman of the Public Service Commission. He also served as chairman in 1998 and 2003. During his tenure on the PSC he has worked aggressively to develop competitive markets for utility services, reduce regulation, expand toll free calling in Georgia and protect consumer rights.

In 1995, 1998 and 1999 he was selected as one of Georgia Trend's 100 most influential people in Georgia, and was honored to be the 1998 recipient of the Oglethorpe University Talmadge Award. Commissioner Baker served on the board of directors for the Georgia Center for Advanced Telecommunications Technology (GCATT) from 1994 to 1998, and served as Vice-Chairman of the Gwinnett County Planning Commission from 1991 to 1995. He is married to the former Joselyn Butler.



H. Doug Everett

Commissioner Since: January 1, 2003

Elected: November 5, 2002

Serves Through: December 31, 2008

Republican, Sylvester, Georgia

Commissioner, Georgia Public Service Commission

A native of Cordele, Georgia, Commissioner Doug Everett is the first Republican elected to the Commission from Southwest Georgia. In 1996, he was elected to the Georgia House from Albany and served three terms before his election to the Commission in 2002. As a State Representative, he served on the House Industry Committee and the Subcommittee on Utilities.

Commissioner Everett was born in Cordele, Georgia but moved to Sylvester where he graduated from high school. He entered Georgia Tech but later transferred to Georgia Teachers College (now Georgia Southern University) and majored in math.

After moving to Albany, Commissioner Everett first worked for Albany First Federal Savings and Loan before starting his own business in 1974, Southern Appraisal Company that specializes in appraising large commercial and industrial properties. In 1980, he received his MAI appraisal designation, the highest appraisal designation one can receive. Prior to serving as a legislator, Everett served on the Albany Zoning and Planning Board of Appeals, the Albany Zoning and Planning Board of which he was Chairman, the Board of Tax Assessors and three terms on the Albany City Commission, including two years as Mayor Pro Tem.

Everett is married to Janice Perry Johnson of Montezuma. The couple has three grown children, Mitch, Mike and Denice Delk, and four grandchildren. Everett is a former member of the Albany Rotary Club, the Sylvester JAYCEES and the Sylvester Kiwanis Club.



David L. Burgess

Commissioner Since: April 8, 1999

Elected: November 3, 2000

Serves Through: December 31, 2006

Democrat, DeKalb County, Georgia

Commissioner, Georgia Public Service Commission

Governor Roy E. Barnes appointed David Burgess to fill a vacant Commission seat on April 8, 1999. His appointment to the Commission is one of several “firsts.” Burgess is the first African-American person to serve on the vital utility board, the first former PSC staff member to hold a Commission seat and the first Georgia Tech graduate to serve on the Commission. He was elected to a full six-year term in November 2000. He served as Commission Chairman in 2002.

Burgess graduated from Georgia Tech in 1981 with a Bachelor of Science Degree in Electrical Engineering. He served as a member of the PSC staff for 17 years. Burgess began as public utilities engineer, rose through the ranks in six years to become the PSC’s Director of Rates and Tariffs; and served as the Director of the PSC’s Telecommunications Unit for two years prior to his appointment. He has effectively resolved various electric, gas and telecommunications issues during his tenure at the commission. Burgess continues to lead the Commission’s efforts to implement the requirements of the 1996 Federal Telecommunications Act. Burgess currently serves as the Chairman of the Commission’s Telecommunications Committee, a member of the Georgia Utilities Facility Protection Act Advisory Committee and the Advisory Board of the Georgia Center for Advanced Telecommunications Technology (GCATT).

An Atlanta native, Burgess and his wife, Phyllis, have two daughters, Crystal and Christina. Burgess is the Superintendent of Sunday School and Vice-Chairman of the Steward Board at Turner Monumental A.M.E. Church.



Stan Wise

Commissioner Since: January 1, 1995

Elected: 1994; Re-Elected: 2000

Serves Through: December 31, 2006

Republican, Cobb County, Georgia

Commissioner, Georgia Public Service Commission

Stan Wise won re-election to his second six-year term on the Commission in November 2000. He served as Commission Chairman in 1997 and 1999. He was first elected to public office as a Cobb County Commissioner in 1990 and had previously served that county as a member of the Cobb County Planning Commission and the Board of Zoning Appeals. Wise was a Board Member of the ten-county Atlanta Regional Commission from 1992 to 1994.

Wise served as President of the National Association of Regulatory Utility Commissioners (NARUC) in 2003-2004 and is a member of the NARUC Board of Directors. He is a past President of the Southeastern Association of Regulatory Utility Commissioners (SEARUC) and serves on the Gas Committee of NARUC. He also serves on the U.S. Department of Energy's State Energy Advisory Board and on the Cobb County Public Schools Educational Foundation, Inc. He has also served on the Board of Directors of the Cobb YMCA, the Boys Club of Cobb County and the Advisory Board of the North Georgia Law Enforcement Academy.

Wise was awarded his B.S. in Business Management from the Charleston Southern University in 1974. He owned and operated an insurance agency in Cobb County for over twenty years. He and his wife, Denise, have two grown children.

**PUBLIC SERVICE COMMISSION
MANAGERIAL PERSONNEL**

DECEMBER 31, 2005

Commissioners

Angela Elizabeth Speir, Chairman
Robert B. Baker, Jr., Vice Chairman
David L. Burgess, Commissioner
H. Doug Everett, Commissioner
Stan Wise, Commissioner

Administration Division

Deborah Flannagan, Executive Director
Reece McAlister, Executive Secretary
Bill Edge, Public Information Officer/Legislative Liaison
Greg Peacock, Fiscal and Budget Officer
Margie Conley, Human Resources Officer
Jada Brock, Director of Information Technology

Utilities Division

Tom Bond, Utilities Division Director
Ken Ellison, Assistant Utilities Division Director
Leon Bowles, Director of the Telecommunications Unit
Sheree Kernizan, Director of the Electric Unit
Nancy Tyer, Director of the Natural Gas Unit
Cynthia Johnson, Director of Consumer Affairs Unit

UTILITIES DIVISION

Historically, the Georgia Public Service Commission has been responsible for setting the rates charged by telecommunications, natural gas and electric companies and for establishing and enforcing quality of service standards. The telecommunications, natural gas, and electric industries previously were natural monopolies. Now a number of these industries are evolving to a competitive market that allows customers to choose among multiple providers for certain services. Other services continue to be fully regulated by the Commission.

The pace at which competition is being implemented varies among the regulated industries. In the telecommunications industry, long distance service has been competitive since the mid-1980s. In 1995 and 1996, local telephone service was opened to competition by state and federal legislation, respectively. In 1998, Georgia opened the natural gas industry to competition. Restructuring of the electric utility industry has taken place in a number of states, with varying results; however, it appears unlikely that electric utility restructuring will take place in Georgia in the near future.

In spite of these changes in the regulatory environment, the Commission continues to ensure that consumers receive the best possible value in telecommunications, electric and natural gas services, to enforce natural gas pipeline safety and to protect utility infrastructure from damage. An overview of the role that the Commission has played in each of these utility industries over the past year, as well as key decisions of this agency, is set forth in the following sections.

Electric

Electricity is an energy form that is vital to the economy of the state and to the quality of life of Georgia's citizens. Of the three utility industries, the electric industry is the most universally utilized and perhaps the most essential. Like the natural gas and telecommunications industries, the electric industry is in a state of change on a national level. The Georgia Public Service Commission had expected the electric industry in Georgia to be restructured at some point in the future. However, due to the failures of electric restructuring experienced in other states and the unprecedented increase in natural gas prices, this view has changed. It now appears that, absent federal legislative action, the electric industry in Georgia will remain traditionally regulated in its present form. The industry has provided benefits to Georgia's citizens and industries. The two investor-owned electric utilities, Georgia Power Company and Savannah Electric and Power Company, are fully regulated by the Commission. Together, these companies serve approximately two million consumers. The Commission has limited regulatory authority over the 42 electric membership corporations (EMCs) and 52 municipally-owned electric systems in the state.

SIGNIFICANT MATTERS IN THE ELECTRIC UTILITY INDUSTRY IN 2005

Commission Approves an Increase in Savannah Electric and Power Company's Base and Fuel Rates

After analyzing Savannah Electric and Power Company's request for an approximate \$22 million annual increase in base rates, the Commission on November 10, 2005, approved a settlement that resulted in a \$9.5 million rate increase as part of a multi-year accounting order. The new fuel cost rate means the typical Savannah Electric residential customer using 1200 kilowatt hours per month will see about a 13 percent increase in their total electric bill beginning with the December 2005 billing cycle, an increase of \$15 a month. The new rate will allow the Company to collect estimated fuel costs through November 30, 2006 of approximately \$196 million and to collect an under-recovered balance of \$71.8 million over four years. Under the terms of the agreement, low-income senior citizens will receive a \$6.00 fuel charge discount on their monthly bills. Combined with the low-income senior citizen base rate discount, this means low-income senior citizens would receive a \$20 total credit on their monthly electric bills.

Commission Investigates Fuel Procurement Practices of Georgia Power Company and Savannah Electric and Power Company

As requests for fuel costs recovery have approached the magnitude of base rate increases, the Commission has intensified its scrutiny of these cases. The Commission launched an investigation of the fuel procurement practices, including the fuel cost forecasting and pool dispatch and pricing, utilized by Savannah Electric and Power Company, to determine the causes of the increasing fuel costs. Additionally, the Commission issued a Notice of Inquiry (NOI) to receive public comment regarding the manner in which it and other parties may more effectively and efficiently gather and examine information provided by electric utilities under its jurisdiction during proceedings to set new fuel cost recovery (FCR) rates.

Commission Uses an Independent Evaluator in the Utilities' Solicitation for New Generation

Pursuant to O.C.G.A § 46-3A-1 et seq., the Integrated Resource Planning Act, the Commission is responsible for evaluating and approving integrated resource plans (IRP) filed by the investor-owned utilities on a three-year cycle and certifying applications for supply and demand side resources. During 2004, the Commission held hearings on the utilities' IRP filings. Significant issues were addressed, such as the implementation of

new supply side bidding rules, which incorporate the use of an Independent Evaluator (IE) to ensure an open and fair solicitation process for all bidders, independent power producers and utility affiliates. According to a Power Markets Week article "The Georgia PSC's approach to overseeing utility solicitations for wholesale power, which developed in 2004 and is now in use on two RFPs, has been widely praised by independent power companies and power marketers, who view it as a way to prevent the utilities from unfairly favoring either non-utility affiliate Southern Power or self-build alternatives to purchasing wholesale power." The IE has provided invaluable assistance to the GPSC staff in its oversight of the companies' 2009, 2010 and 2011 RFP process to solicit resources to meet forecasted electricity needs for those years.

Commission Support of Green Power Initiative

In 2001, the General Assembly passed Senate Bill 93, which provided for the sale and purchase of "green" or renewable power in Georgia once these resources have been accredited. Subsequently, the Commission in 2003 approved both regulated utilities' Green Pricing Programs that would allow customers the option of receiving some of their electricity from renewable resources (solar, wind, landfill gas, and other sources). The electric utilities in the state have been actively developing their programs, with input from the Commission's Electric Unit. A resource for Georgia Power has been secured that will allow for active marketing efforts to begin in the third quarter of 2006. Savannah Electric intends to meet the majority of its green power requirements through the same resource. Efforts to publicize the programs may include bill inserts, direct mail pieces, and radio, newspaper and magazine ads. Customer billing should begin in the fourth quarter of 2006, and the Companies are still in negotiations, as outlined below, to bring additional Green sources into the generation mix.

Monitoring Activities

The Commission staff continues to investigate and monitor the following aspects of the regulated electric utilities:

1. Effectiveness of hedging programs of Georgia Power Company and Savannah Electric in mitigating potentially high natural gas fuel costs;
2. Flat billing tariffs for residential and commercial customers, designed to provide price stability during fluctuating market conditions;
3. Performance and reliability of the utilities' generating plants; and,
4. Companies' earnings for excess revenues available for sharing, as defined in the approved accounting orders.

The Commission also oversees territorial assignments for all electricity suppliers pursuant to the Georgia Territorial Electric Service Act, O.C.G.A. § 46-3-1 et seq., by reviewing and authorizing requests for transfers of retail electric service, resolving disputes over service territories and maintaining the electric supplier territorial maps for each of the 159 counties in Georgia. The Commission also approves the financing applications of electric membership corporations.

The Commission Continues Its Involvement in Federal Activities That Impact the Electric Utility Industry

The Georgia Public Service Commission is active in its regional association, the Southeastern Association of Regulatory Utility Commissioners (SEARUC), as well as its national organization, the National Association of Regulatory Utility Commissioners (NARUC), to ensure that any federal restructuring or other legislation will benefit Georgia ratepayers. Commissioners and staff serve on the committees of several national and local groups including NARUC, SEARUC, Southeast Electric Reliability Council (SERC), Georgia Green Pricing Accreditation Group, Georgia Energy and Environment Group, Governor's Energy Task Force and the Southern States Energy Board.

The Federal Energy Regulatory Commission (FERC) required electric utilities to file a plan to implement a Regional Transmission Organization (RTO) by October 2000. The FERC ordered utilities in the country to file plans to join one of four super RTOs. As a result, the FERC also ordered the utilities in the Southeast into mediation in order to develop a Southeast RTO. Plans were filed and resulted in two different models—the GridFlorida/GridSouth model and the SeTrans model, formed by Southern Company and other utilities. The SeTrans sponsors decided not to file their proposal with FERC at this time. The Commission has been active in many of FERC's rulemaking dockets to ensure that Georgia's regulated consumers are not unduly harmed by policies that could lead to an increase in electric rates.

PSC Seeks To Protect Ratepayer Interests In Environmental Policy Decisions

The Commission continued to monitor the rulemaking proceedings of Georgia's Environmental Protection Division of the Georgia Department of Natural Resources (DNR) and the Federal Environmental Protection Agency. DNR approved a plan that requires Georgia Power Company to install new emission controls on seven of its generating plants. Georgia Power Company estimates these requirements will cost approximately \$800 million. The Commission staff continues to monitor developments in the federal Environmental Protection Agency's lawsuits against Georgia Power

Company and Savannah Electric and Power Company for violations of the New Source Review Standards. In May 1999, the Commission provided comments to the Environmental Protection Division of the DNR in response to proposed rules regarding nitrogen oxide compliance and that agency's plans for stricter controls on utility coal burning plants. In doing so, the Commission expressed a desire to support metropolitan Atlanta's clean air initiatives in a manner that would not adversely affect customers' utility rates.

Although President Bush approved Yucca Mountain as the repository for nuclear waste, the Commission continues to oppose Department of Energy (DOE) delays to fully comply with laws that require DOE to remove spent nuclear fuel from nuclear plants in Georgia. DOE's inaction has resulted in the need for Georgia Power Company to construct, at ratepayers' expense, additional on-site storage facilities to handle the accumulation of spent nuclear fuel and to engage in activities to construct an interim storage site. The Commission has addressed the DOE's position on this matter at formal hearings and in written documents to emphasize the severity of this situation. The Commission continues to work on a national level to ensure that any proposed federal legislation that seeks to address this problem provides an appropriate solution.

Natural Gas

Natural gas is important to the development and economic prosperity of Georgia. Approximately 1,600,000 customers in Georgia use natural gas, delivered by the state's two investor-owned natural gas systems, Atlanta Gas Light Company (AGLC) and Atmos Energy Corporation (Atmos Energy). In early 1997, the Georgia Legislature passed the Natural Gas Competition and Deregulation Act (the Act), O.C.G.A. § 46-5-150 et seq., which allowed these companies the option of electing to be governed under a new regulatory framework. More specifically, the Act provided for the transition of the natural gas commodity market from a regulated monopoly to a competitive marketplace. The Commission's role under the Act was to facilitate this transition.

Although Atmos Energy elected not to be governed under the Act, AGLC filed notification of its intent to be subject to the new regulatory model in November 1997. In managing the transition to competition in what traditionally were AGLC's service areas, the Commission's main objective was to implement the Act in a manner that allowed a majority of end users to realize the benefits of competition, which include a greater choice among gas providers and better customer service.

In 2002, the Legislature passed the Natural Gas Consumers' Relief Act (House Bill 1568). The Commission enforced the provisions of House Bill 1568 by ensuring compliance with all of the newly enacted Commission Rules and creating additional protections for natural gas consumers.

SIGNIFICANT MATTERS IN THE NATURAL GAS INDUSTRY IN 2005

Certificated Natural Gas Marketers

On July 6, 2005, the Commission approved the application of Commerce Energy, Inc., for a natural gas marketer certificate of authority. In addition, on July 6, 2005, the Commission approved the transfer of customers from ACN Energy, Inc., to Commerce Energy. There are currently eleven certificated natural gas marketers, ten of which are actively serving customers.

The Commission also approved the disbursement of \$6 million from the Universal Service Fund to the Georgia Department of Human Resources (DHR) for low-income natural gas assistance.

The Atlanta Gas Light Company filed for a rate increase on October 15, 2004, requesting an additional \$146.9 million in rate increases over a three-year period. The Commission on June 10, 2005, adopted a stipulated agreement between AGLC and the Commission that freezes AGLC's base rates from May 1, 2005, through November 30, 2010. In addition, AGLC's pipe replacement costs billed to ratepayers through a separate surcharge will be reduced by \$25 million over a five-year period.

On May 20, 2005, Atmos Energy filed for a rate increase, requesting an additional \$4.02 million in annual revenues. On August 30, 2005, the Company filed a revised rate request of \$4.19 million. On November 17, 2005, the Commission approved an increase of \$345,506. Atmos Energy filed a Petition for Rehearing, Reconsideration and Oral Argument on November 28, 2005. The Commission reconsidered Atmos Energy's request and approved a rate increase of \$409,277 on December 20, 2005.

Regulated Provider

On June 20, 2002, the Commission approved SCANA Energy as the Regulated Provider of natural gas under Docket No. 15149. The initial term for SCANA was from September 1, 2002 to August 30, 2004. On March 2, 2004, the Commission approved an extension of one additional year to SCANA's two-year term to end August 30, 2005. On August 31, 2005, SCANA Energy was selected and approved to continue as the Regulated Provider under Docket No. 20069 for a two-year term. As of December 31, 2005, the Regulated Provider had a total of 69,491 customers, with 21,047 designated as Group 1 and 48,444 as Group 2. The DHR uses the same guidelines to qualify Group 1 customers as those established for the federal Low-Income Housing Energy Assistance Program (LIHEAP). Group 2 customers are bad debt customers that cannot obtain service from other marketers due to poor credit. Since September 2002, the

Commission has approved over \$6.7 million in disbursements to SCANA Energy to offset bad debts related to Group 1 customers. During 2005, the Commission approved over \$1.7 million for Group 1 customer assistance. No such funds are available for Group 2 customers. Although the Regulated Provider program was developed to provide better pricing to low-income citizens, the overall pricing has been average to above average.

Rulemaking

Docket No. 21205: Notice of Inquiry on Multiple Natural Gas Systems Within a Single Certificated Area. On August 24, 2005, the Commission issued a Notice of Inquiry (NOI) to receive comments from parties regarding under what circumstances, if any, duplicative natural gas distribution systems should operate within the same certificated area. Comments on the NOI were received on October 11, 2005. The comments will be used to develop a Notice of Proposed Rulemaking (NOPR).

Bankruptcy Filings Monitored By the Commission

There were no bankruptcy proceedings during 2005. The Commission staff continually monitors the financial viability of all of the certificated marketers through monthly and quarterly reporting requirements and data requests.

Interim Pooler

On May 17, 2005, the Commission issued a Request for Proposal (RFP) for the designation of an Interim Pooler. To facilitate this process, the Commission requested that all marketers interested in being an Interim Pooler submit their proposal by June 17, 2005. No marketer responded. The Commission concluded that if the Interim Pooler provision becomes necessary during the period of July 1, 2005, through June 30, 2007, the Commission will randomly assign affected customers to all certificated marketers.

Audits

Docket No. 8516: Atlanta Gas Light Company's Pipe Replacement Program (PRP) The Commission issued a Rule Nisi against the Company on January 6, 1998, in Docket No. 8516 alleging that AGLC had committed numerous and continuing safety violations concerning the operation of the Company's pipeline system. The majority of the allegations related to the large number of known leaks on the Company's distribution system. Staff and the Company reached a stipulated agreement to facilitate

solutions to the problems listed in the Rule Nisi. The stipulated agreement permitted the Company to recover, through a monthly rider, costs incurred to replace portions of its pipeline system that were corroded or leaking. After a hearing on July 8, 1998, the Commission approved an Order adopting the PRP stipulation on September 3, 1998. At that time 2,312 miles of bare steel and cast iron pipe had been identified for replacement within the 10 years from 1998 to 2008. This mileage was revised to 2,504 miles in 2003. As part of the AGLC rate case agreement, the PRP was extended from a 10-year program to a 15-year program, ending in 2013. The Commission staff currently conducts quarterly audits of the capital expenditures of the program. In 2005, the Commission staff audited over \$84.9 million in expenditures related to the PRP.

Docket No. 4167: Atlanta Gas Light Company's Manufactured Gas Plant (MGP) In March of 1992, Atlanta Gas Light Company filed an Environmental Response Cost Recovery Rider setting forth a proposed mechanism for recovering costs associated with the clean up of manufactured gas plant (MGP) sites. On August 20, 1992, the Commission conducted a hearing at which several parties presented a settlement agreement to the Commission. On September 1, 1992, the Commission entered an Order adopting the settlement, subject to certain modifications. The staff conducts quarterly audits of capital expenditures related to the MGP cleanup at fifteen MGP sites, three of which are in Florida, where AGLC used to manufacture natural gas from coal. The production process created by-products that contaminated the soil and ground water. The ratepayers of Georgia are assessed a surcharge to assist with this cleanup. In 2005, Commission staff audited over \$32.4 million of expenditures related to this program.

Docket No. 15326: Amendment to Universal Service Fund Rules and Docket No. 11588: Universal Service Fund (USF) The Georgia Legislature established the Universal Service Fund (USF) under O.C.G.A. § 46-4-166 in 1999 and authorized the Georgia Public Service Commission to create and administer the USF. In 2002, the General Assembly approved House Bill 1568, amending the 1999 law and revising the possible uses for USF funds. In September 2002, the Commission incorporated these changes under Docket No. 15326. The statutory purpose of the USF is:

- Ensure natural gas is available to marketers for sale
- Enable AGLC to expand its facilities in the public interest
- Assist low-income customers in times of emergency
- Allow the Regulated Provider access to the USF to recover bad debt of its Group 1 customers.

The USF is currently funded by the following statutory funding sources:

- 95% of Interruptible Revenues
- Demand Supply Requirements (DSR)
- Mismatch Incentive Charge (Mismatch)
- E-Gas Surcharge (Emergency Gas)
- Capacity Release
- Off-System Sales
- Supplier Refunds
- Cash-Out
- Marketer Customer Deposits Over Two Years Old

An additional funding source for the USF is Asset Management Deposits made by Sequent Energy Marketing (SEM), an affiliate of Atlanta Gas Light Company. SEM uses slack capacity and storage assets to create profit opportunities for itself. For the use of ratepayer assets, there is a sharing between SEM and the USF. On December 24, 2002, the Commission issued an Order in Docket No. 16163 requiring AGLC to share 50% of Sequent’s capacity asset profits with the USF. Recently, the Commission, AGLC and SEM entered into a stipulated agreement that increased sharing to the USF by 10% creating a 60% / 40% sharing between SEM and the USF.

In fiscal year 2005, the USF has provided \$6 million to Georgia’s Department of Human Resources (DHR) to help the low-income seniors and over \$5.5 million for gas line extensions for AGLC. Additionally, the Commission approved over \$1.7 million to the Regulated Provider of natural gas to help low-income citizens in Group 1.

Since its creation in 1999, the PSC has approved the following USF disbursements:

PSC General Refunds To All Ratepayers	\$ 42,106,000
LIHEAP Matching Funds to DHR	\$ 27,000,000
Total AGLC Line-Extension Applications Approved	\$ 21,903,885
PSC Refund to Low-Income/Senior Citizens	\$ 8,100,000
Regulated Provider: Group 1	\$ 6,701,728
Refund to Regulated Provider: Group 1	\$ 750,000
Total Dollars Approved by the PSC	\$ 106,561,613

Certificate for Public Convenience and Necessity

On July 2, 2004, the City of Buford filed an Application for a Certificate for Public Convenience and Necessity in Docket No.19219, to extend its natural gas pipelines and distribution facilities in certain areas of Barrow and Jackson Counties. The matter was heard before the Hearing Officer on February 17, 2005. On July 19, 2005, the Commission granted the City of Buford’s application.

Atmos Energy Corporation's Affiliated Transaction Audit Review And 2005 Rate Case

In March 2005, staff began an affiliate transactions audit of Atmos Energy Corporation. The purpose of the audit was to review affiliate transactions and the process used to allocate costs incurred at various organizational levels within Atmos Energy to its Georgia operations. Staff completed the Affiliate Transactions Audit in September 2005 and presented their findings in testimony filed on September 29, 2005. Staff will continue to monitor affiliate transactions and allocated costs to Georgia through quarterly reports filed by Atmos Energy Corporation.

Atlanta Gas Light Company's Affiliated Transactions Audit And Rate Case

In December 2003, staff began conducting an affiliate transactions audit of Atlanta Gas Light Company. The purpose of the audit was to review the affiliate costs incurred by AGL Services Company and allocated to Atlanta Gas Light Company. Staff completed the Affiliate Transactions Audit in 2004 and reached numerous conclusions as a result of the audit which were included in the "Atlanta Gas Light Company Review of Affiliate Transactions" Report issued in November 2004. Staff is currently reviewing the affiliate transactions process and allocated costs to Atlanta Gas Light Company through monthly filings.

Atmos Energy Corporation's Gas Supply Plan

The Commission issued an Order for Atmos Energy's 2005 - 2006 Gas Supply Plan in Docket No. 20528 on August 31, 2005. The plan approves the interstate storage and peaking assets needed to achieve the company's forecasted peak for its Gainesville and Columbus service areas. Atmos Energy serves approximately 65,000 customers in Georgia. A significant issue in the 2005 - 2006 Supply Plan was asset management. On August 31, 2005, the Commission adopted an Order for Atmos Energy Corporation's 2005 - 2006 Gas Supply Plan for supplying its firm customers with natural gas. The plan also approves the interstate storage and peaking assets needed to achieve the company's forecasted peak for its Gainesville and Columbus service areas. In the August 31, 2005, Order the Commission approved Atmos' current asset management agreement but ordered the utility to issue a Request for Proposal for its asset management and commodity requirements by May 1, 2006.

Telecommunications

The telecommunications industry is indispensable to the economy of the state. Georgia's Telecommunications and Competition Development Act of 1995 and the Federal Telecommunications Act of 1996 have had a great impact on the Commission's role in this vital industry. The primary goal of these statutes was to replace traditional regulated monopoly service with a competitive market. By the end of 2005, the Commission had certificated 1,019 resellers, 260 alternative operator service providers, 284 competitive local exchange providers, 134 interexchange service providers and 509 payphone service providers. The Commission also heard an arbitration proceeding and approved 205 interconnection agreements.

SIGNIFICANT MATTERS IN THE TELECOMMUNICATIONS INDUSTRY IN 2005

Implementation of Senate Bill 147, the Family Violence Shelter Confidentiality Act of 2004 (O.C.G.A. § 46-5-7)

At its September 21, 2004, Administrative Session, the Commission initiated the implementation of the 2004 Family Violence Shelter Confidentiality Act passed by the General Assembly (Senate Bill 147). Pursuant to the Act, the Commission issued an Order on May 13, 2005, requiring all telephone companies and directory listing providers that are certified to operate in the state of Georgia to file plans explaining in detail how the location and address of family violence shelters will be protected. The Order set forth minimum requirements for plans to be deemed in compliance with O.C.G.A. § 46-5-7. On August 16, 2005, the Commission modified its minimum requirements and approved the plans for 88 telecommunications companies. On November 17, 2005, an additional 112 plans were found in compliance. The Commission will consider requests for approval of other plans at a later date.

Performance Measurement Review

The Commission's Service Quality Measures (SQMs) include comparative measures that monitor all areas of support (pre-ordering, ordering, provisioning, collocation, maintenance and repair, operator services, directory assistance, E911, trunk group performance and billing) to assess BellSouth's service to Competitive Local Exchange Carriers (CLECs). During 2005, BellSouth paid over \$1 million to the State Treasury for failure to meet these performance measures.

706 Area Code Relief

On January 5, 2005, NeuStar, Inc., in its role as the North American Numbering Plan Administrator (NANPA), declared a jeopardy situation for the 706 Numbering Plan Area (NPA) in Georgia. Consequently, the industry adopted procedures for rationing NXX assignments for the duration of the jeopardy condition in the 706 NPA effective February 1, 2005. At its June 23, 2005, Administrative Session, the Commission approved an all-services distributed overlay as the relief method for the 706 NPA. This plan adds the new 762 NPA, which was assigned by NANPA on June 24, 2005, to the same geographic area covered by the existing 706 NPA (see map below). All existing customers would retain the 706 area code and would not have to change their telephone numbers. However, in accordance with regulations of the Federal Communications Commission (FCC), an all-services distributed overlay would require the implementation of ten-digit dialing. Upon exhaust of the 706 NPA, code assignments will then be made in the new overlay area code.

To help ensure sufficient time for service providers and security alarm companies to modify their networks and equipment and educate telecommunications customers about the introduction of a new area code in the 706 NPA, the Commission approved the following implementation dates: July 16 to August 30, 2005, customer notification prior to transition dialing period; September 1, 2005, start of ten-digit permissive dialing period (allowing customers to dial local calls within the overlay area using either the seven- or ten-digit telephone number); April 3, 2006, start of mandatory ten-digit dialing; and, May 16, 2006, effective date of the new NPA.

1. Distributed Overlay

A new NPA code would be assigned to the same area covered by the 706NPA. Customers would retain their current telephone numbers; however, ten-digit local dialing would be required. Codes in the distributed overlay NPA will be assigned upon request with the effective date of the new area code. At exhaust of the 706 NPA all code assignments will be in the distributed overlay area code.



NPA 706 Map Legend

- NPA Boundaries
- Rate Center Boundaries
- County Boundaries

Assignment of Abbreviated Dialing Codes (N11)

During 2005, the Commission considered and approved three petitions for assignment of N11 codes. N11 codes are abbreviated dialing arrangements (three-digit codes of which the first digit is any digit other than 1 or 0, and the last two digits are both 1) that enable callers to connect to a location in the phone network that otherwise would be accessible only via a seven- or ten-digit telephone number. On February 18 and November 1, 2005, the Commission approved the petitions of Columbia County Government and City of Savannah, respectively, for assignment of the abbreviated dialing code 311. The 311 service provides access to that county or city's non-emergency police and other government services. On November 1, 2005, the Commission approved the petition of the Georgia Department of Transportation for assignment of the abbreviated dialing code 511 to be used statewide for access to traffic and transportation information services. Both the 311 and 511 abbreviated dialing codes were previously assigned by the FCC for nationwide use—311 for access to non-emergency police and other government services and 511 for state and local governments to deliver travel-related information to the public.

BellSouth Telecommunications Detariff Request

On May 19, 2005, BellSouth Telecommunications, Inc., (BellSouth) filed with the Commission a tariff pursuant to O.C.G.A. § 46-2-23 designed to detariff various retail services in BellSouth's service territory in Georgia. These services include all existing and new retail telecommunications services (all bundles, contract service arrangements and stand-alone services currently governed by BellSouth's General Subscriber Services Tariff), and all existing and new services governed by BellSouth's Private Line Services Tariff. Basic local exchange services will continue to be tariffed. In compliance with the statute, the Commission held an evidentiary hearing on August 11, 2005. Briefs were filed by interested parties.

On October 8, 2005, the staff and BellSouth agreed to present a proposed stipulation to the Commission. On October 18, 2005, the Commission approved the stipulation for BellSouth to detariff various retail services pursuant to O.C.G.A. § 46-2-23. Prior to October 18, 2006, BellSouth had been required to file a tariff with the PSC detailing its pricing and promotion changes, as well as terms and conditions, thirty (30) days before the tariff went into effect. Detariffing eliminates this process. However, BellSouth will notify the Commission staff of any changes to the prices, terms or conditions of its detariffed services via e-mail. By January 1, 2008, the Commission will revisit this issue and determine whether eliminating this notification is in the public interest. The Commission will maintain its authority to resolve customers' complaints related to the detariffed services.

Telecommunications Relay Service (TRS)

The current TRS provider, AT&T, did not request a two-year extension of its contract, which ends at midnight March 31, 2006. As a result, the Commission issued a Request for Proposals (RFP) on July 1, 2005, for a new TRS provider to begin providing this service no later than April 1, 2006. Three proposals were received on August 5, 2005, in response to this RFP: Hamilton Telephone Company, MCI and Sprint. On September 20, 2005, the Commission selected Hamilton Telephone Co. as the Georgia Relay Service provider.

Headquartered in Aurora, Nebraska, Hamilton has provided relay service to ten states since 1991. A growing relay service provider, Hamilton generates approximately half its corporate revenue from relay service and has opted to open a relay center in Albany, Georgia, operating seven days a week, twenty-four hours a day. This will provide both in-state physical presence (enhancing accountability and coordination with the staff) and economic development opportunities for the state.

The Georgia Relay Service will not include CapTel (captioned telephone); however, this service enhancement will be pursued in July 2006 as a separate issue, with its own service provider and service contract. CapTel displays every word the caller says throughout the conversation. A specially-trained operator at the captioning service transcribes everything the other party says into written text, using the latest in voice-recognition technology.

On December 12, 2005, an RFP was issued to potential advertising and outreach providers to develop an advertising program to promote and increase awareness of Georgia Relay. On February 7, 2006, the Commission selected the firm of Devaney & Associates of Towson, Maryland, as the Georgia Relay advertising and outreach provider for a three-year period, commencing on April 1, 2006.

Telecommunications Equipment Distribution Program (TEDP)

In accordance with the provisions of House Bill 1003, passed by the 2002 General Assembly, the Commission established the Georgia TEDP, which became operational on March 31, 2003. This program provides specialized telecommunications equipment to Georgians who, because of physical impairments, particularly hearing and speech impairments, cannot otherwise communicate over the telephone. Receipt of telecommunications equipment under this program is subject to medical and financial eligibility requirements. To date, over 800 hearing- or speech-impaired applicants have received 1,636 equipment items, with some applicants requiring multiple items.

Audible Universal Information Access Service (AUIAS)

The 2005 General Assembly passed House Bill 669, creating a state-wide AUIAS to provide blind or otherwise print-disabled, citizens of the state with telephonic access to print media publications. The law requires the Commission to establish, implement, administer and promote this service by July 1, 2006. To this end, the Commission will issue a Request for Proposals in early 2006 to potential service providers. The Georgia AUIAS will provide continuous audible universal information access service to all Georgia telephone exchanges, 24 hours a day, 7 days a week, 52 weeks a year and will be accessible by way of a toll-free or local number from anywhere in the state.

Universal Access Fund (UAF)

The Telecommunications Act of 1995 approved by the Georgia General Assembly mandated a Universal Access Fund (UAF). The Commission issued its full Order in Docket No. 5828 to establish and administer the UAF on August 30, 1996.

Initially, the Commission required the submission of affidavits by wire telecommunications companies in Georgia stating each company's annual gross revenues from sales to end-users of telecommunications services pursuant to O.C.G.A. § 46-5-167(b). These affidavits were used by the Commission to estimate each participant's revenue relative to the total revenues of all telecommunications companies providing service in Georgia and to estimate the subsequent factor to be applied to the revenues to compute contributions to the UAF.

The Commission held hearings on the proper interpretation of O.C.G.A. § 46-5-166(f)(2), which gave Tier 2 companies an opportunity to recover revenues lost due to the reduction of intrastate switched access rates mandated in the legislation. The Commission found that any real loss of revenues by Tier 2 companies due to the lowering of access charges could be recovered by either a change in rates or through a UAF disbursement. The Commission established the interim UAF for the specific purpose of addressing switched access revenue losses resulting from the legislation.

On December 15, 1998, the Commission decided that the term of the interim UAF as contemplated by O.C.G.A. § 45-5-166(f) (2) was five years, ending June 30, 2001. Subsequently, the Commission extended the life of the interim fund an additional three years through June 30, 2004. Thereafter, claims by Tier 2 LECs for UAF disbursements were to be filed under O.C.G.A. § 46-5-167 to demonstrate a financial need.

On January 25, 2004, after reviewing the Section 167 filings the Commission voted to continue disbursements of approximately \$2.9 million annually to five Tier 2 LECs. Qualifying LECs desiring ongoing relief under Section 167 must file the necessary financial data annually prior to September 15. The Commission resets disbursements

each UAF year beginning with disbursements for July 1 through September 30 and continuing through June 30 of the following calendar year. The annual disbursement amount is now \$2.6 million.

Consumer Affairs

The Consumer Affairs Unit is the primary entry point for consumers wishing to make their interests and issues known to the Commission in the form of complaints, inquiries, or opinions, collectively referred to as “contacts.” Consumers file contacts in person or via telephone, fax, regular mail, email, and Internet.

Consumer Affairs staff regularly interact with representatives from the utility industries to mediate resolutions to consumer complaints, discuss complaint trends and possible courses of action to address problematic trends, and ensure mutual understanding of respective business processes and policies.

Having direct involvement with both the general public and industry representatives gives the Consumer Affairs Unit a unique perspective that makes it a source of valuable information for other work groups within the Commission.

In addition, the Consumer Affairs Unit is responsible for the enforcement of Commission rules and related state laws, consumer education, and community outreach.

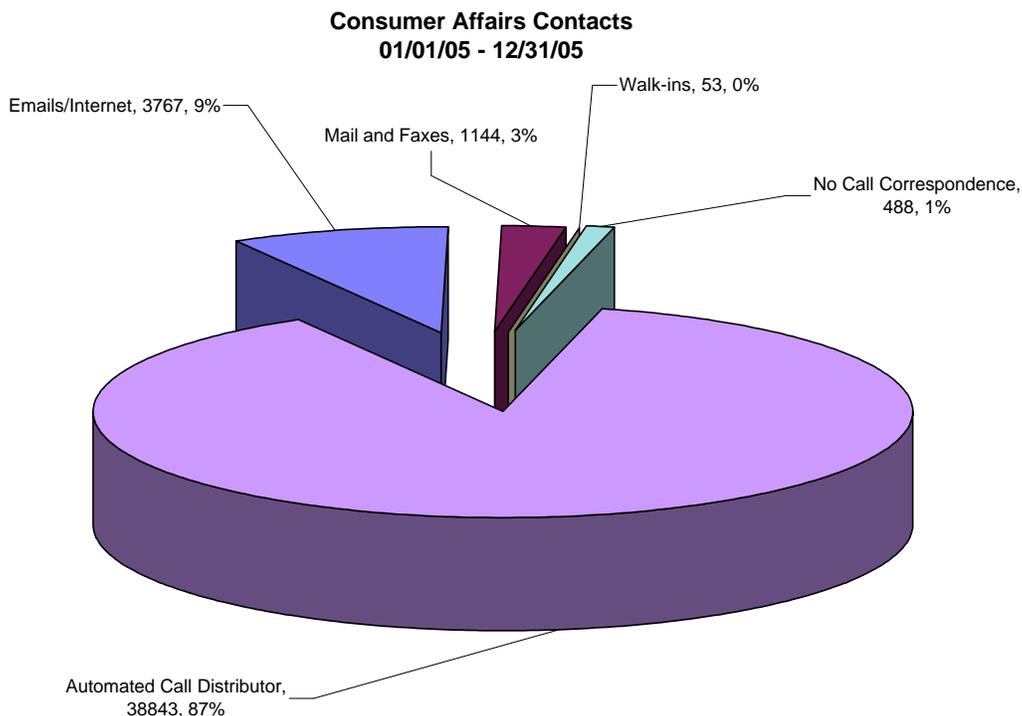
Inbound Contacts

Contacts filed online through the Commission’s website are forwarded to the Georgia PSC email inbox, gapscc@psc.state.ga.us. Consumers can send emails directly to this address. Nine percent (9%) of inbound contacts in 2005 came from these electronic sources, up from 8% in 2004.

Regular mail and faxes are still popular methods consumers use to communicate with the Georgia Public Service Commission, but paper correspondence comprised a smaller proportion of inbound contacts in 2005 (3%) than in 2004 (5%). Letters and application forms specifically related to the Georgia No Call program accounted for one percent (1%) of the total volume, down from 3% in 2004, indicating increased consumer awareness of the free federal No Call program. In all, Consumer Affairs representatives received 44,295 inquiries, complaints, and opinions from the general public in 2005, an increase of 3,645 contacts, or 9%, over 2004’s 40,650 contacts.

Telephone calls continue to be the contact method of choice for Georgia consumers. Consumer Affairs received 40,082 inbound calls in 2005 and answered 38,843, or

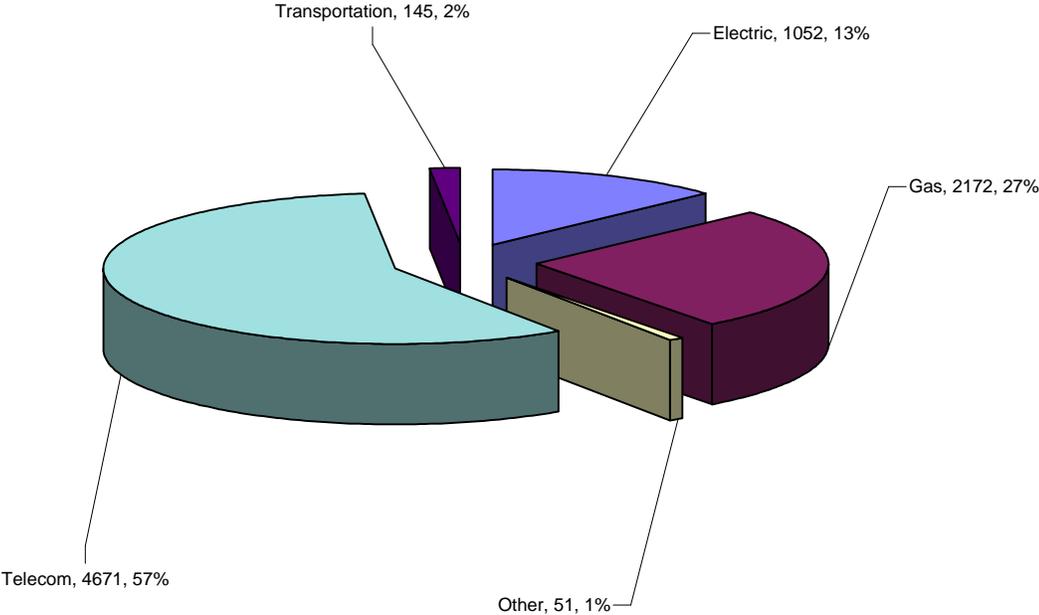
96.9%. The 38,843 telephone calls answered comprise eighty-seven percent (87%) of total inbound contacts, up from eighty-two percent (82%) in 2004. Of the answered calls, ninety-one percent (91%) were answered in 15 seconds or less. The abandoned rate¹ at 3.1% was slightly lower than 2004's 3.5%.



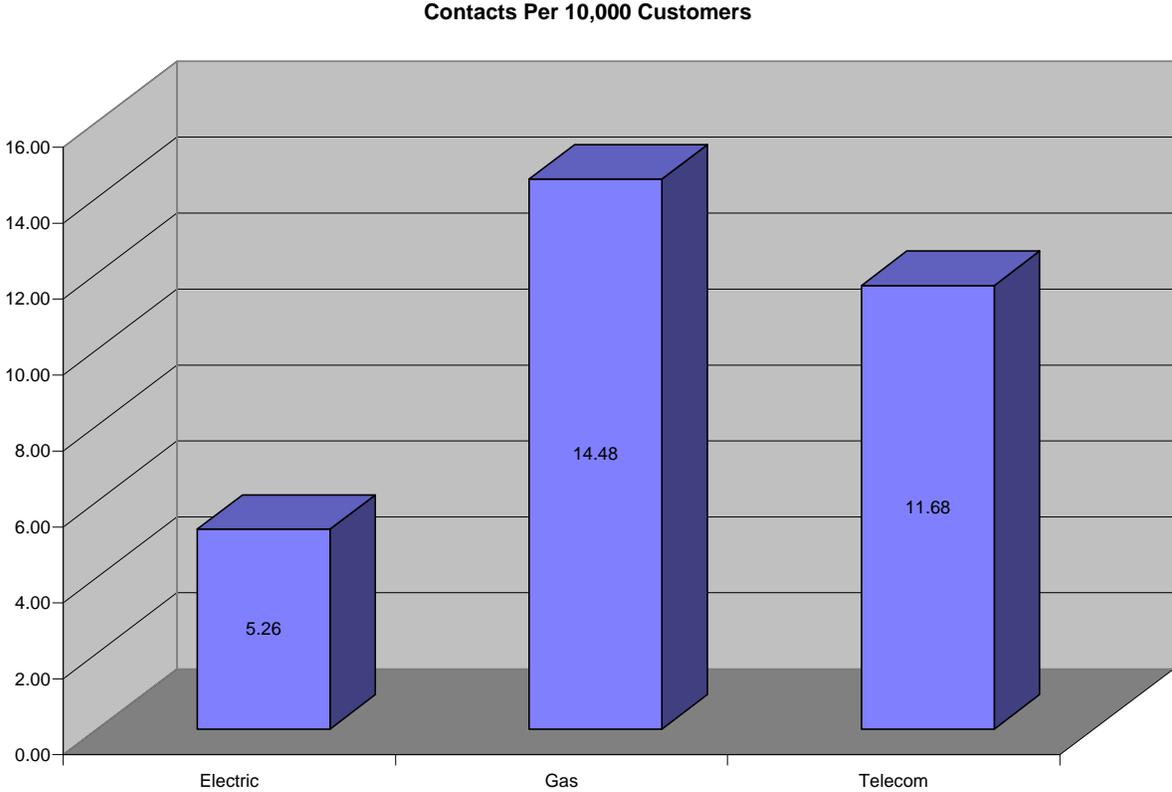
In 2004, Consumer Affairs hired two bilingual customer service representatives, who speak both English and Spanish, to assist Spanish-speaking consumers. They answered 789 calls in 2005, or two percent (2%) of the total calls answered.

¹ The “abandoned rate” is the percentage of incoming calls that disconnected before being transferred to the first available representative.

Consumer Response System Contacts



Contacts requiring referral or follow-up are recorded in the Consumer Response System (CRS) database. Of the 8,091 contacts that were recorded in 2005, telecommunications issues comprised the majority at fifty-seven percent (57%), followed by natural gas issues with twenty-seven percent (27%), and electric with thirteen percent (13%). Jurisdiction of transportation matters involving household goods carriers, towing, and limousines was returned to the Commission in July 2005. These contacts comprised two percent (2%) of the total. Non-jurisdictional matters continue to comprise less than one percent of total contacts in 2005.



When viewed from a per capita perspective of contacts per 10,000 customers, Consumer Affairs staff handled more natural gas contacts per capita than contacts regarding electric or telecommunications. Consumers contacted the Commission regarding natural gas issues at a rate of 14.48 contacts per 10,000 customers; for telecommunications matters, 11.68 contacts per 10,000 customers; and for electric, and 5.26 contacts per 10,000 customers.²

Staff Development

“Knowledge is Power” remained an important theme for the Consumer Affairs Unit in 2005.

Consumer Affairs staff attended internal classes on the Georgia Telephone Relay Service and the Georgia Telecommunications Equipment Distribution Program.

² Per capita formula estimates the number of Georgia telecommunications customers at 4 million; electric at 2 million; and natural gas at 1.5 million.

Several staff members attended offsite training to enhance their professional skills. Topics included:

- Business Grammar and Writing Skills;
- Managing Multiple Projects;
- Assertive Communication Skills for Women;
- Confronting, and Changing, Bad Behavior;
- Administrative Assistants Conference;
- Conflict Management Skills for Women;
- The Complete Guide to Poised and Powerful Public Speaking
- Business Writing Basics for Professionals.

Consumer Education and Outreach

The “Knowledge is Power” theme provided the foundation for consumer education and outreach programs, as well.

The topics featured in consumer advisories and alerts included:

- “Modem Hijacking”;
- “Unlimited Calling Plans,” an advisory warning consumers that an “unlimited” calling plan does not necessarily mean unlimited talk time;
- “Feds Tighten a Provision of the Do Not Call Rule,” an advisory informing consumers that telemarketers must now “scrub” (refresh) their lists every 31 days;
- “Are You Sure Your Long Distance Service Was Canceled?”
- “Lifeline/Link-Up Eligibility Criteria Expanded”;
- An advisory encouraging consumers to “weatherize” their homes for the winter;
- “Managing Utility Bills”
- “The Compassionate Side of Georgia’s Utility Companies: Stepping Up to Help Hurricane Katrina’s Evacuees.”

Consumer Affairs staff developed presentations, hosted or participated in workshops for consumers and consumer advocates, and participated in several radio interviews. Community outreach activities allowed Consumer Affairs staff members to directly educate hundreds of consumers and indirectly impact thousands more.

Outreach activities included the following:

- Hosted an information table at the DeKalb County Senior Information Day and City of Atlanta Senior Day;
- Staff provided onsite training to the following organizations:
 - Atlanta Regional Commission;
 - Helene Mills Senior Multipurpose Center;
 - Harriette Darnell Senior Multipurpose Center;

- Repertoire, Inc.;
- Senator Steen Miles' Town Hall Meeting;
- Cathedral of Faith;
- Georgia Community Action Agencies' Annual Meeting
- Town Hall Meeting hosted by Senator Regina Thomas (Savannah).

Enforcement

Consumer Affairs representatives are encouraged to objectively investigate each complaint, ask probing questions of both the consumer and the utility company, and make a determination as to whether they think a violation of state law or Commission rule has occurred. In 2005, 7,139, or eighty-eight percent (88%), of the 8,091 contacts requiring referral and follow up were complaints. Only 13 were flagged as “probable violations,” demonstrating that Consumer Affairs representatives mediated resolutions to approximately 99.8% of all complaints.

Even one complaint can be “the tip of the iceberg,” the first sign of a problem that affects—or has the potential to affect—many consumers. As such, contacts flagged as probable violations are investigated further to determine if in fact a company has violated a law or rule, to ascertain the root cause of the problem, and to assess its real or potential impact on other consumers.

In 2005, the investigation of a complaint forwarded to the Commission by a member of the State House of Representatives concerning the over-billing of long distance calls resulted in \$33,000 in refunds and credits to approximately 1,000 IDT America, Inc.'s consumers. The calls had been placed within certain Commission-approved Extended Area Service territories. IDT America, Inc., incorrectly billed the calls as toll calls when the calls should have been zero-rated as toll-free. The company was ordered to correct its billing system and compensate the affected customers.

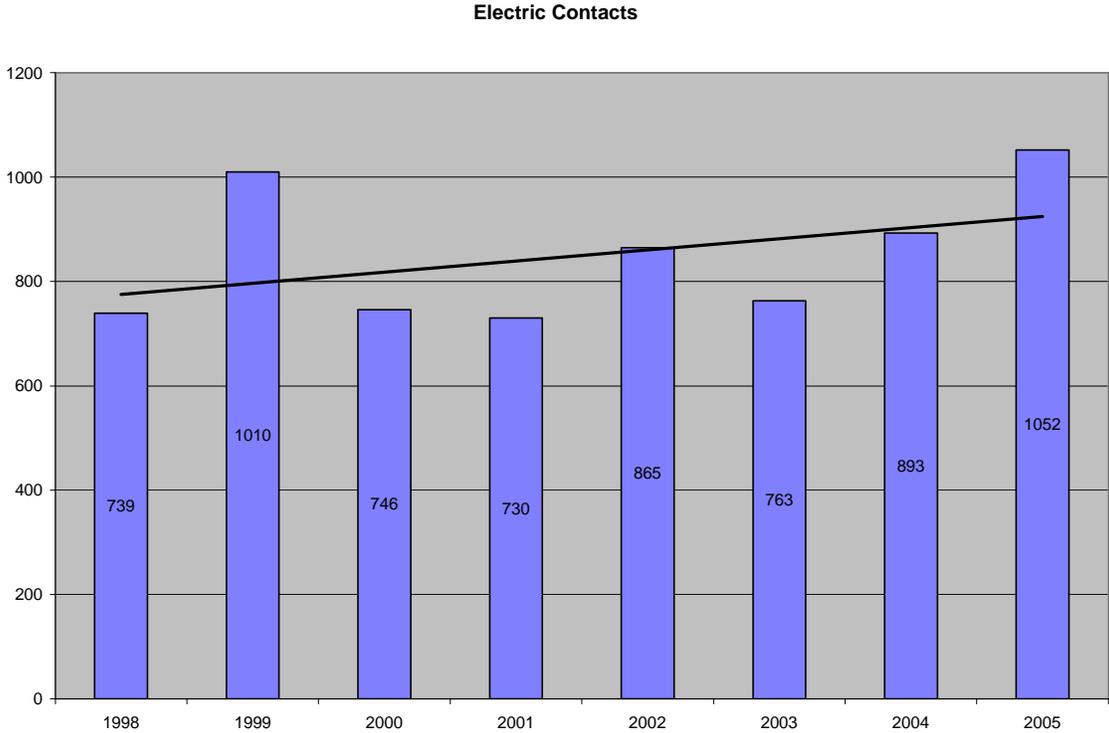
AT&T was fined \$100,000 and ordered to refund \$180,000 to approximately 40,000 Georgia consumers for improperly billing a \$3.95 monthly recurring charge (MRC) for long distance services. The investigation of over 200 complaints revealed that the erroneous charges resulted from a billing error. The company corrected its billing system and was ordered to notify customers of other rate plans that are available that do not include the MRC. In addition, the company agreed to provide 2,700 Prepaid Calling Cards to the Commission for distribution to soldiers of the Georgia National Guard who were deployed in Iraq and Afghanistan.

Consumer Affairs staff members in the Enforcement group also serve as consultants to the Commission's industry units, providing specific expertise on consumer issues. In 2005, Consumer Affairs staff participated on both the Adversary and Advisory Staff

teams during the Savannah Electric, the Atlanta Gas Light Company and the Atmos Energy rate cases.

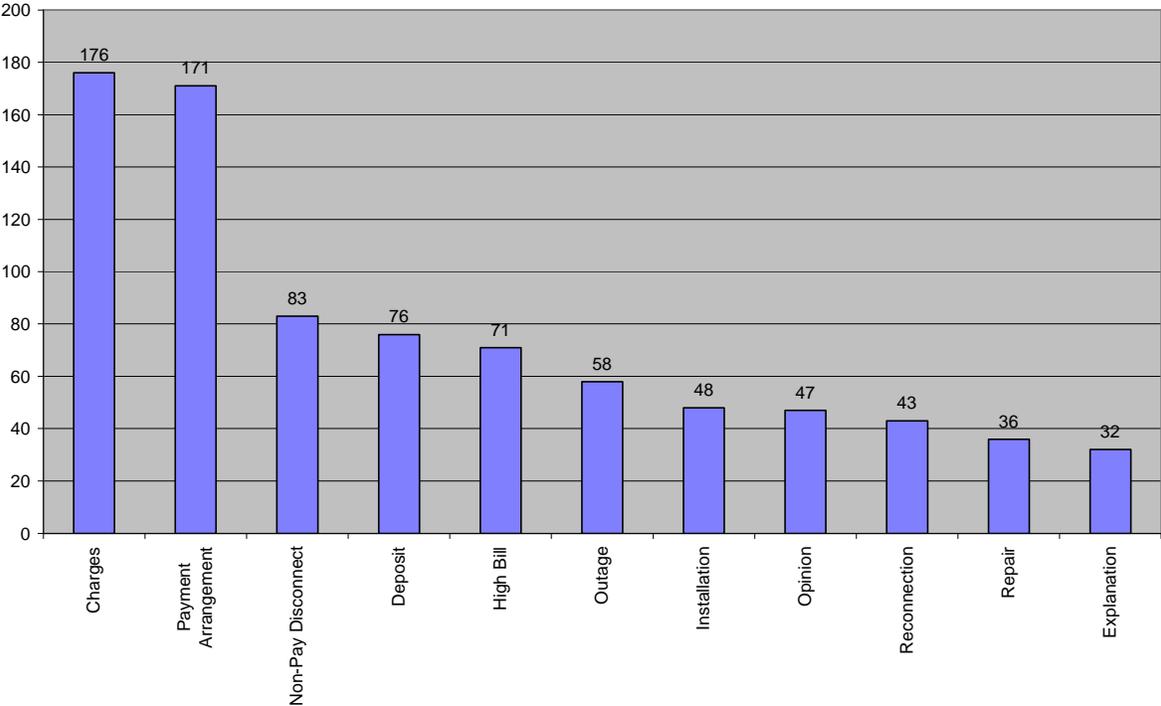
Electric Consumer Issues

While the number of electric contacts has remained relatively flat since 1998, in 2005 the Commission saw an increase in contacts, from 893 to 1,052, a seventeen percent (17%) increase, reaching levels not seen since 1999.



Higher electric rates resulting from base rate and fuel cost recovery rate increases approved by the Commission and consumer interest in a high-profile hearing involving Georgia Power green power contracts contributed to the overall increase in electric contacts.

Electric Contacts - Top Categories

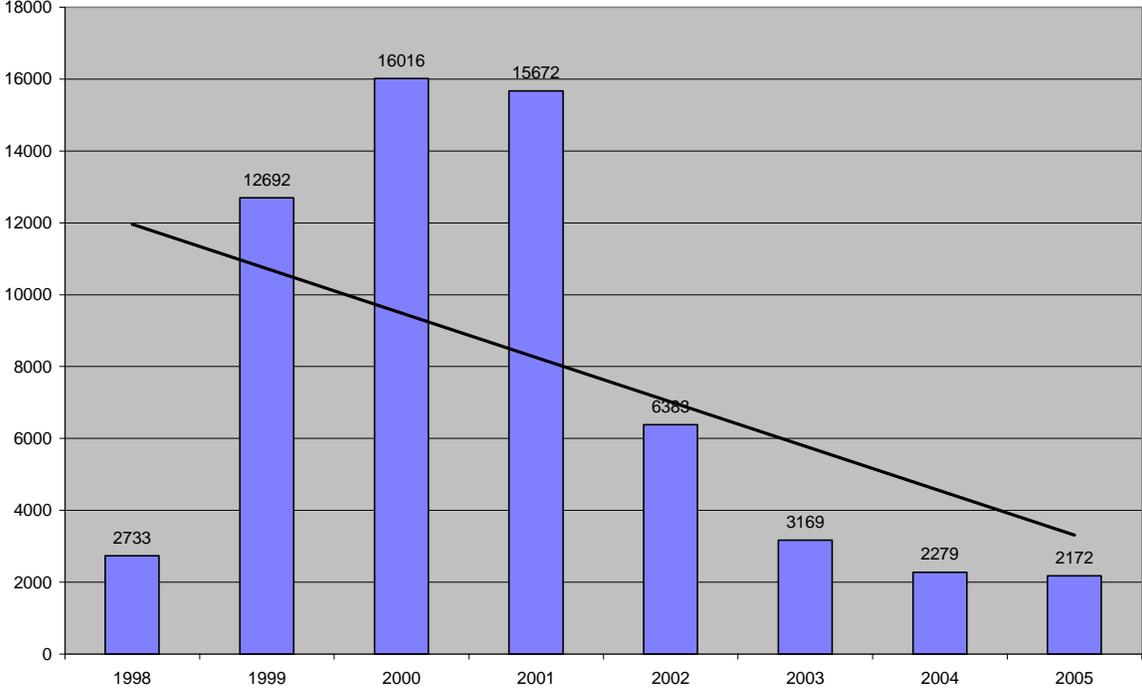


The categories comprising 80% of all electric consumer contacts remained essentially the same as 2004. The categories of High Bills and Payment Arrangements saw the most dramatic increase of 51% and 41%, respectively. Consumer Affairs representatives also experienced an increase of 39% in the number of contacts requiring explanations of how consumers' bills were impacted by the Commission's decision to increase base rates and fuel cost recovery rates.

Natural Gas Consumer Issues

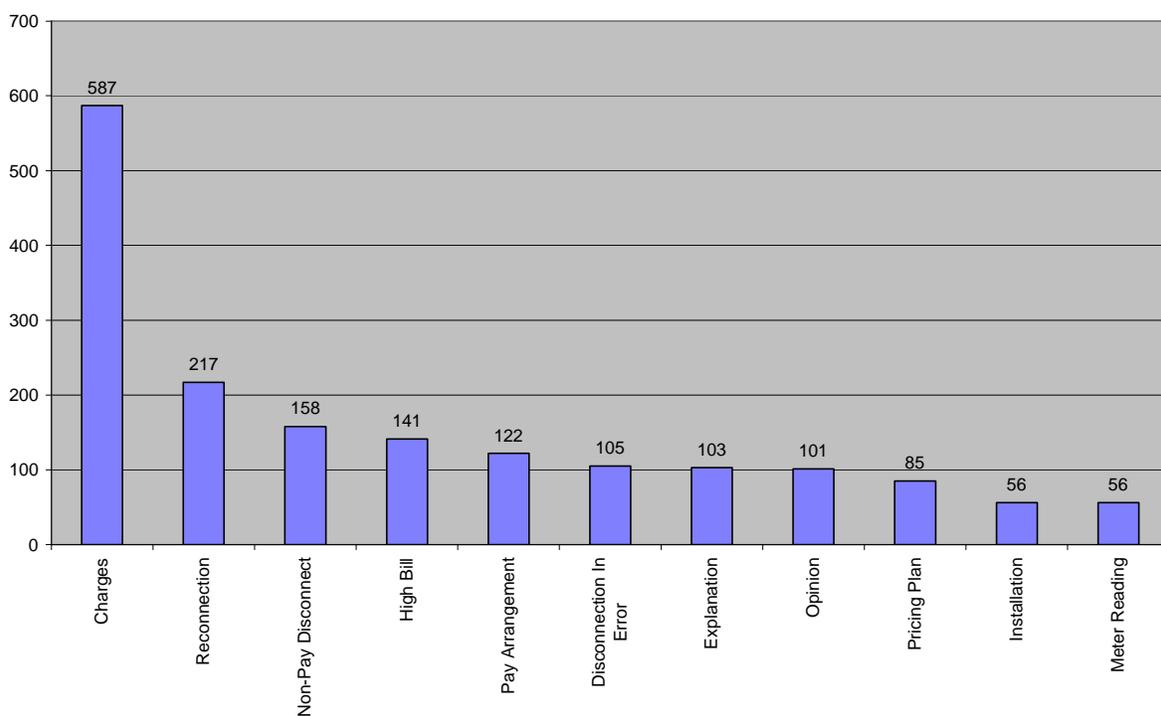
Natural gas contacts continued a slight downward trend in 2005, with 107 fewer contacts than in 2004, a reduction of 4.7%.

Natural Gas Contacts



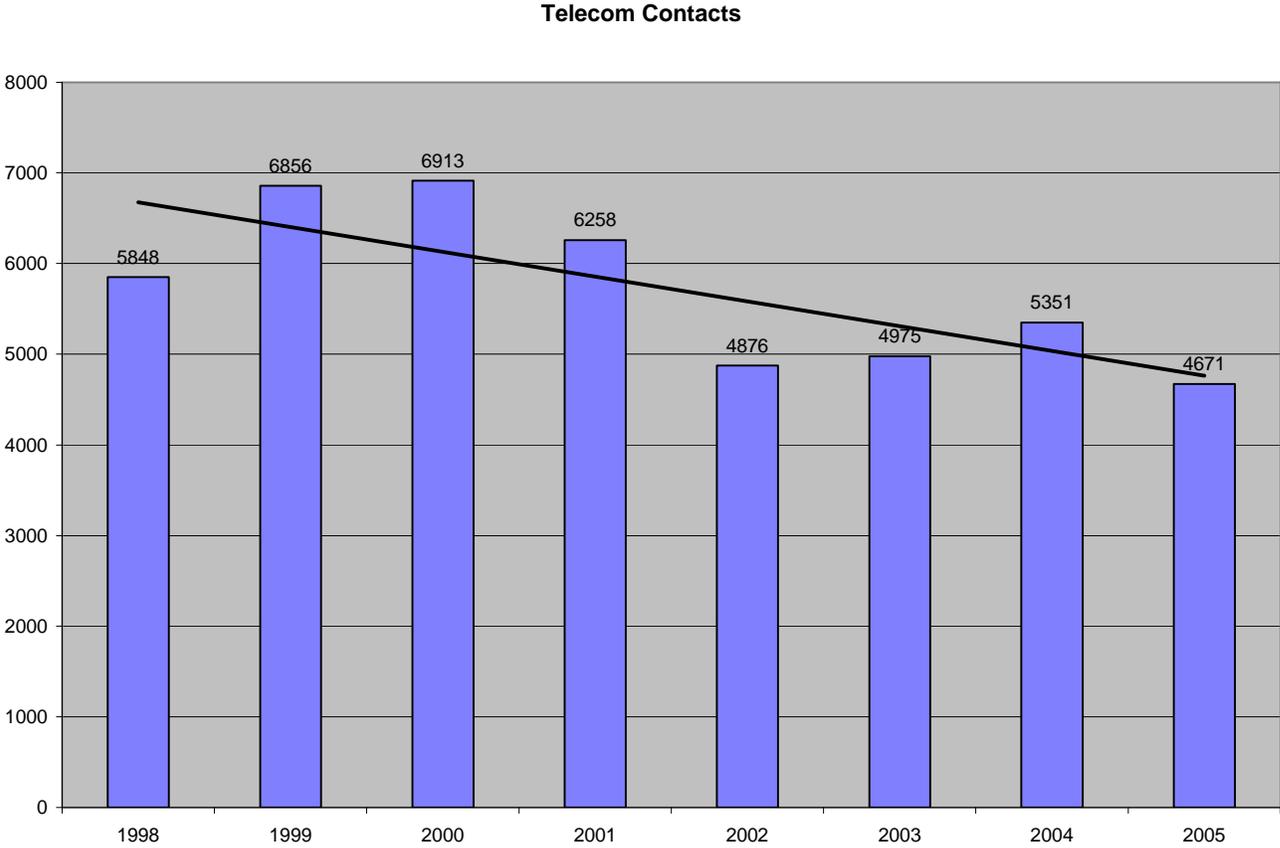
Contacts related to charges and high bills continue to comprise nearly 30% of natural gas contacts. Contacts classified as Reconnections increased most dramatically (44% over 2004) as consumers complained more often about deposits and fees that were required to restore services after disconnection for nonpayment or expressed dissatisfaction with the scheduled date of reconnection. Consumer Affairs staff also explained natural gas bills, service options, and consumer rights 41% more often in 2005 than in 2004.

Natural Gas Top Categories

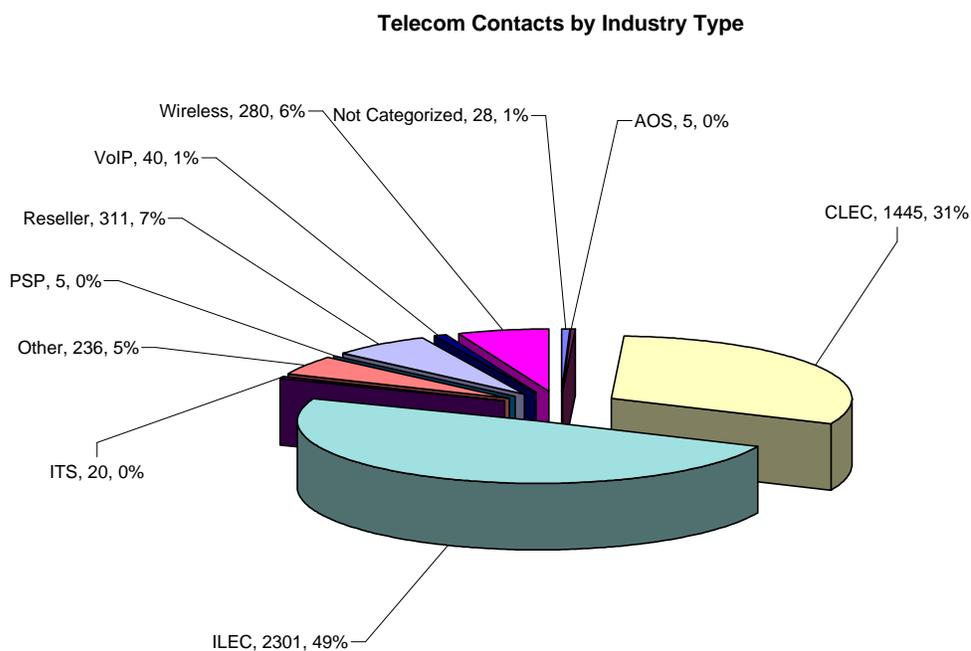


Telecommunications Consumer Issues

The overall trend of telecommunications contacts also continued downward in 2005.

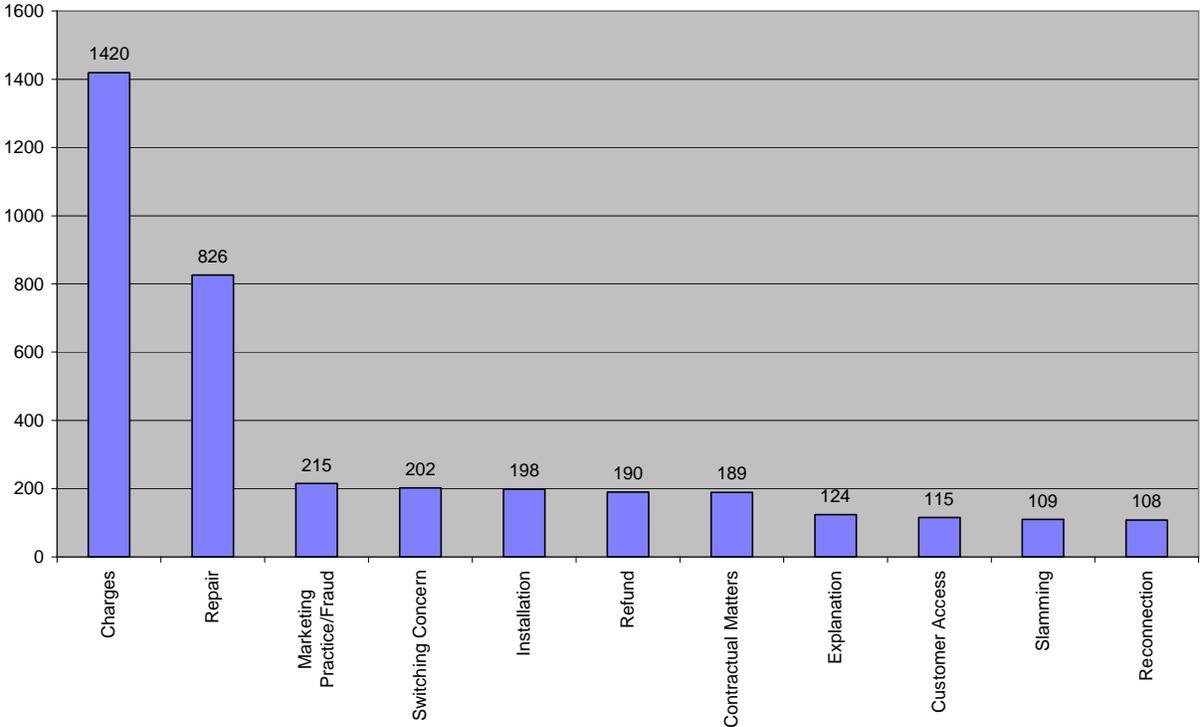


The proportion of total contacts related to wireless service increased slightly, from 5% in 2004 to 6% in 2005. The proportion of contacts attributed to Independent Local Exchange Carriers (ILECs) increased from 42% in 2004 to 49% in 2005. Contacts regarding Voice over Internet Protocol Service (VoIP) continued a steady increase, prompting the creation of a new category. In 2005, VoIP-related contacts comprised 1% of the total Telecom contacts.



The categories of telecommunications contacts remained relatively unchanged from 2004, but there was movement among the categories. While the total number of contacts classified as Marketing Practices or Fraud increased only slightly (from 212 to 215), this category rose from 6th place to 3rd place. Slamming, on the other hand, showed the most dramatic reduction (58%) and moved from 4th to 10th place. The relative position of Contractual Matters changed only slightly, from 8th in 2004 to 7th in 2005, but the total contacts in this category increased by 29%, the most dramatic increase of all Telecom categories.

Telecom Top Categories



Facilities Protection

Pipeline Safety Challenges and Responsibilities in 2005

The Commission retains responsibility for ensuring that all natural gas operators in Georgia meet federal and state safety requirements.

Calendar year 2005 marked the 37th year of certification for the Pipeline Safety program of the Commission with the Research and Special Programs Administration of the federal Department of Transportation. In 2005, this staff continued regulating all pipeline safety matters involving private and municipally-owned natural gas distribution systems, including liquefied natural gas facilities, master-meter operators, direct sales customers and propane facilities that operate in the state of Georgia.

During 2005, the staff monitored and inspected over 72,235 miles of distribution mains, service lines and transmission pipelines transporting natural gas to over 2 million

Georgia customers. Operator compliance with the Pipeline Safety Regulations was evaluated during 508 inspections, expending 1,024 inspection days. These inspections addressed Operator Qualification, Integrity Management of Transmission Mains, comprehensive, specialized and construction inspections, along with follow-up inspections that monitor operators for violations of the law.

Pipeline Safety Enforcement

The Commission's staff is responsible for enforcing those regulations contained in Parts 191, 192, 193, 199 and Part 40 of the Code of Federal Regulations, as well as applicable state regulations. The Commission also has the authority, if the need arises, to adopt additional regulations.

The Commission's Pipeline Safety program became subject to additional requirements during 2005 as a result of the Pipeline Safety Act. These requirements included submitting inspection reports into the national database for inspections under Subpart N for Part 192.800, Qualification of Pipeline Personnel (OQ) and Subpart O for Part 192.900, Pipeline Integrity Management (IMP) that prescribes the minimum requirements for an integrity management program on any transmission pipeline, including inspections and training.

On the legislative side, the Commission participated with the Legislative Committee of the Georgia Utility Coordinating Committee and the Senate Advisory Committee (established by Senate Resolution 989) to enhance the current Dig Law, leading to the passage and enactment of Senate Bill 274. In an effort to further reduce damages to buried utility facilities, the federal Pipeline Safety Act recommended improvements to state damage prevention programs. Senate Bill 274 removed penalty exemptions and made all facility stakeholders accountable under the law to enhance safety.

The staff performed 45 OQ inspections during 2005, which translated into 34 inspection days. These inspections included the two private operators, Atlanta Gas Light Company and Atmos Energy, and the 87 municipal gas operators throughout the state. In addition, Commission began educating those operators that are master metered (housing authorities, apartment complexes, hospitals, and others) on the requirements of Operator Qualification.

Training For Natural Gas System Operators

The Commission's Pipeline Safety program continues to offer training throughout Georgia to assist private, municipal and master-meter operators in complying with both state and federal laws. To assist operators in achieving compliance, the Commission provided 74 person days of training to over 350 attendees. Additionally, operator

personnel learn cost-saving techniques through this training. With new regulations adopted each year, it is the Commission's responsibility to keep operators apprised of all changes to ensure compliance.

Training continues to have a positive effect through improved communication within the industry. Training in Operator Qualification, Best Practices and the Georgia Utility Facility Protection Act is the most effective method of achieving compliance with both state and federal laws.

Outreach

During 2005, staff continued providing assistance to operators of gas systems for their Public Awareness Programs (Federal Law RP 1162). According to the Pipeline Safety Regulations, operators in existence on June 20, 2005, must have completed their written programs no later than June 20, 2006. Operators of small propane distribution systems having less than 25 customers and master meter operators having less than 25 customers must have completed development and documentation of their programs no later than June 20, 2007. Upon request, operators must submit their completed programs to the Pipeline and Hazardous Materials Safety Administration (PHMSA) or the appropriate State agency. The Commission developed a natural gas safety web site, www.SafeGas.org, to provide the natural gas industry educational materials to assist with compliance with this provision. This site contains an "awareness kit" that includes free advertising and public relations materials for all gas providers.

To date, no state funding has been used for implementing this natural gas safety outreach program.

Georgia Utility Facility Protection Act (GUFPA) Enforcement

The responsibility of the Commission's Facility Protection Section is to investigate reports of probable violations of O.C.G.A. § 25-9, better known as the Georgia Utility Facility Protection Act (GUFPA) that pertains to damage to buried utility infrastructure caused by mechanized excavation. After investigations of these reported probable violations of GUFPA have been completed, violators are generally offered the opportunity to attend training on the requirements of GUFPA as an alternative to paying a fine to the State of Georgia. The offer to attend training in lieu of paying a civil penalty is dependent to a large extent on the excavator's past performance. The Commission presently has four staff investigators who completed 3,635 investigations in 2005. In addition to investigating violations of GUFPA, staff provided 27 training sessions to an estimated 1,161 attendees. Staff continued its outreach activities to circulate the "dig safely" message to the Hispanic community by partnering with groups and organizations

representing the Hispanic workers in the utility industry. Efforts to specifically target the Hispanic community included working closely with the Utilities Protection Center.

Improvements to the SQL Server Database proved valuable in 2005 by allowing the Commission staff to receive 7,258 reports of probable violation of the GUFPA. Without the database, such a feat would have been impossible. Even with the gains enabled by the database, staff has identified the need for additional modifications that will make the system even more efficient. Plans to address those upgrades during 2006 have been discussed and an enhanced version of the database is in the development stage.

Staff streamlined the enforcement function in 2005 by directly accessing the archived locate ticket information retained by the Utilities Protection Center. This access enabled staff to research reports of excavations lacking a locate ticket without having to contact the probable violator. If the search failed to identify a locate request for the reported excavation, staff simply generated a consent agreement package and mailed it to the named probable violator.

The 2005 General Assembly amended provisions of GUFPA (Senate Bill 274) which the Governor signed into law on May 10, 2005. The new provisions became effective on July 1, 2005. The law removed all penalty exemptions and recognized training and education as effective enforcement tools by authorizing education, where appropriate, in lieu of assessing civil penalties.

GUFPA Cases for Calendar Year 2005

Total Complaints Received	7,258
Total Complaints Processed	3,635
Total Complaints Settled or Resolved by Fine or Penalty	1,977
Cases Dead-Docketed	1,701
Consent Agreements Issued	1,352
Informational Packets Issued	478
Warning Letters Issued	53
Total Fines Recommended	\$1,296,000
Fines Collected	\$345,500
Total Fines Mitigated by Training	\$1,239,750
The Number of Rule Nisi's Issued	323
Complaints against Counties and Municipalities	671
Fines Not Collected for Penalties Levied in 2005	\$27,000

ADMINISTRATION DIVISION

During 2005 the Commission continued to maintain the highest standards in performing those administrative functions that serve the public. By making the most prudent use of its resources, the Commission has been able to work within the constraints of its budget to hire and retain quality staff members committed to serving the public sector.

The Commission's Administration Division is comprised of the Executive Secretary, Budget and Fiscal Office, Human Resources, Public Information Office, Information Technology and the Transportation Unit. An overview of the responsibilities and accomplishments of each of these is set forth below.

Executive Secretary

The Executive Secretary's Office is responsible for receiving all public documents filed at the Commission. The Executive Secretary's responsibilities include scheduling Commission proceedings, assigning hearing officers, signing and certifying official Orders, and preparing lists of interveners for docketed matters. In 2005, staff members in this Office opened 2,097 new case dockets and processed 9,714 filed documents. The Executive Secretary prepared 2,340 Orders for the Chairman's signature.

During 2005, the Commission held 52 public hearings. Matters docketed for public hearing are generally heard by the entire Commission in open session with a majority of the Commission constituting a quorum.

Regular Commission Administrative Sessions are held on the first and third Tuesdays of each month. Committee meetings are held on the Thursdays prior to Administrative Sessions. The four standing Committees of the Commission are Energy, Telecommunications, Transportation and Administrative Affairs.

Budget and Fiscal Office

The Budget and Fiscal Office develops the agency budget in conjunction with the Executive Director and interacts with the Governor's Office of Planning and Budget (OPB) as well the Legislative Budget Offices in the budget process. The Office ensures the Commission meets its fiscal responsibilities for the agency's state and federal funding, purchasing, asset management, mail distribution, and reporting to Federal, State and other agencies as required or requested.

The Office in 2005 coordinated the renovation and upgrade of office space in the 254 Washington Street Building and the subsequent move of Commission staff housed in

the 47 Trinity Health Building to the renovated space in the adjacent 254 Washington Street Building. This move reunites the Commission staff previously separated in different buildings since 1997 due to the renovation of the 244 Washington Street Building.

A major change for FY 2005 was the adoption of the Office of Planning and Budget's new Financial Management System to prepare and submit the Commission budget, including all amendments and allotments. In 2004, the office assumed responsibility for managing the facilities of the Commission, including requests for building repairs, telecommunications and all interaction with the Georgia Building Authority.

The Commission uses QuickBooks for its Accounts Receivable, Payable and General Ledger. Purchase orders are made using the GTA-administered PeopleSoft System. The Office uses PeopleSoft's Asset Management Module for items costing over \$1,000.

Human Resources Office

The Human Resources (HR) Office worked diligently to meet the personnel and payroll needs of the Public Service Commission. In 2005, the Office was staffed by two full-time employees, a Personnel Officer and Program Associate. The Office remained active in facilitating the self-sufficiency of PSC employees in several areas. For example, all eligible employees entered benefit changes on-line during the two Open Enrollment periods of 2005. Most health insurance, flexible benefits, Credit Union and Employees' Retirement System forms (along with instructions for completion and filing) are now available on-line and totally accessible to any employee who needs them. Beginning in 2006, employees will be able to view paycheck information on-line, eliminating the need to print paper check stubs for most employees.

The HR Office received the usual large number of unsolicited employment inquiries regarding PSC positions. However, recruitment to fill budgeted vacancies was again limited to a small number of critical positions, e.g., Administrative Procedures Attorney and Utilities Analyst. It is vital that retention of staff and succession planning remain priority goals for the Public Service Commission and the HR staff.

Information on PSC careers and job information can be found on the agency's website, <http://www.psc.state.ga.us/jobopenings/jobopenings.asp>.

Public Information Office and Legislative Liaison

The Public Information Office coordinates official Commission news releases and media relations, maintains the Commission's public information files and supervises the Commission's website content.

During 2005 the Commission garnered local, state and national headlines in the news media as a result of the Commission's high profile rate cases and proceedings which spark intense public and consumer interest in Commission activities. As a result, this Office issued 52 news releases, 35 media advisories and 11 consumer advisories; responded to over 125 national, state and local news media inquiries; conducted numerous news media interviews with local, state and national media; and coordinated Commissioner interviews. The Office coordinated two consumer education campaigns using print and electronic advertising, produced several educational brochures, and compiled and distributed weekly news media clips. The Office also assisted Consumer Affairs in providing Community Outreach and Education workshops.

The Public Information Officer also serves as the Commission's Legislative Liaison and coordinates the Commission's legislative agenda. In this capacity, the Office responded to numerous Legislator inquiries relating to constituent concerns.

During the 2005 General Assembly, the Commission sponsored three pieces of legislation and tracked other bills which could impact the agency and the utilities it regulates. A list of legislation, sponsors and status is provided below:

- **House Bill 90**, by Rep. Terry Coleman, requires the PSC to issue certificates of authority for cable companies. Held in House Public Utilities Committee.
- **House Bill 162**, by Rep. Burke Day. Provides that the telephone company would disconnect someone who sends an unsolicited fax. Held in House Public Utilities Committee.
- **House Bill 209**, by Rep. Jeff Lewis. Removes the sales tax on natural gas and electricity used for manufacturing purposes. Held in House Public Utilities Committee.
- **House Bill 501**, by Rep. Austin Scott. Disestablishes the Department of Motor Vehicle Services, creates Department of Driver Services and assigns other duties to the PSC, Department of Public Safety and Department of Revenue. **Passed and Signed by the Governor.**
- **House Bill 562**, by Rep. Don Parsons. Provides for increase in Regulatory Assessment Fee and allows Commission to collect fees for filings before the Commission. Held in House Public Utilities Committee. Commission sponsored legislation.
- **House Bill 669**, by Rep. Chuck Martin. Creates Audio Reading Service managed by the PSC. **Passed and signed by Governor.**

- **House Bill 775**, by Rep. Karla Drenner. Would establish minimum percentages of renewable energy for electric utility energy portfolios. Held in the House Public Utilities Committee.
- **House Resolution 92**, by Rep. Mark Burkhalter. Creates the Joint Liquid Natural Gas and Infrastructure Study Committee. **Approved by both chambers.**
- **House Resolution 491** by Rep. Bobby Reece. Urges adoption of national energy policy for renewable resources. In House Natural Resources Committee.
- **Senate Bill 91**, by Sen. David Adelman. Creates Audio Reading Service managed by PSC. Passed by the Senate. Read in the House.
- **Senate Bill 113**, by Sen. Gloria Butler. Allows local governments to establish a non-emergency "311" number for other government services. They would be allowed to use up to one third of any "911" fees collected on phone bills to finance the "311" number. Passed Senate, held in House Public Utilities Committee.
- **Senate Bill 120**, by Sen. Mitch Seabaugh. Deregulates telecommunications services and removes PSC authority. Held in Senate Regulated Utilities Committee.
- **Senate Bill 209**, by Sen. Doug Stoner. Would change statutory deadline for gas supply case from 45 to 90 days. Passed Senate but held in House Public Utilities Committee. Commission sponsored legislation.
- **Senate Bill 210**, by Sen. Doug Stoner. Would allow judicial enforcement of Commission Orders without need for additional hearings once all appeals have been exhausted. Passed Senate but held in House Public Utilities Committee. Commission sponsored bill.
- **Senate Bill 274**, by Sen. Mitch Seabaugh. Revises Georgia Utility Facilities Protection Act. **Passed and signed into law by the Governor.**
- **Senate Resolution 298**, by Sen. Mitch Seabaugh. Creates the Joint Emerging Technologies Study Committee. **Approved by both chambers.**

The Office also tracked legislation affecting the agency's operations and state employees.

- **House Bill 48** by Rep. Rich Golick and others. Amends ethics law relating to lobbyists, legislators and state elected officials. **Passed and signed by the Governor.**
- **House Bill 84** by Rep. Ben Harbin and others. Amends the Fiscal Year 2005 Budget. **Passed and signed by the Governor.**
- **House Bill 85** by Rep. Ben Harbin. Provides for the Fiscal Year 2006 State Budget. **Passed and signed by the Governor.**
- **House Bill 437** by Rep. Austin Scott. Bans disclosure of public employees address and phone numbers. **Passed and signed by the Governor.**
- **House Bill 509** by Rep. Ben Harbin and others. Provides for program based budgeting. **Passed and signed by the Governor.**
- **House Bill 665** by Rep. Rich Golick. Provides for state employees' whistleblower

protection. **Passed and signed by the Governor.**

- **Senate Bill 46** by Sen. David Shafer. Prohibits the publishing of a wireless directory without subscribers' permission. **Passed and signed by the Governor.**
- **Senate Bill 62** by Sen. David Shafer. Prohibits unsolicited spam e-mails. **Passed and signed by the Governor.**
- **Senate Bill 108**, by Sen. David Shafer. States that no government agency shall use private funds to finance any part of its official duties unless such funds are accounted for in the State budgeting process or with the approval of the House and Senate budget committee chairmen. Held in Senate Appropriations Committee.

Information Technology Office

One of the major accomplishments of the Commission's Information Technology (IT) Office in 2005 was the redesign of the Commission website. The new site is more intuitive and user-friendly. Online enhancements to help consumers make informed choices concerning natural gas, electric and telecommunications services include:

- The Electric Bill Calculator gives consumers the ability to check Georgia Power and Savannah Electric bill calculations based on information obtained from their monthly electric bill statement.
- Bilingual support for consumers who have the need to access consumer information in a non-English format on the Commission website.
- A new database search engine helps users locate information relating to telecommunications companies doing business in Georgia.

The overall strategy of the Commission's Information Technology (IT) Office in 2005 was to use IT resources to make the agency more accessible to the public and to improve internal operations. The Information Technology Office strived to use innovative tools to ensure internal and external stakeholders gained increased awareness of agency information as well as consistent and efficient performance of technology services. Initiatives for 2005 included:

- Technology staff continued to enhance the Commission website. In addition to the Electric Bill calculator introduced in 2004, staff developed an intuitive Natural Gas Bill calculator to assist Georgia residential consumers with choosing a Natural Gas provider. This Natural Gas bill calculator is in the final stages of testing and will be available for consumers in early 2006.
- Regulatory authority for household goods carriers, limousines, buses, and nonconsensual towing was transferred to the Commission as of July 1, 2005. IT personnel strived to ensure a smooth transition for the new employees.

Development staff designed a new application for the Unit to support specific regulatory functions not available on older legacy applications. The application has an upgrade in development that is set for release in mid-2006.

- Technology staff reduced travel time for Commission staff and interested parties by broadcasting live audio, as well as previously recorded broadcasts, of hearings via the Commission web site. In March 2005, Georgia Public Service Commissioners held a public hearing in Savannah, Georgia. Technology staff was able to create a live stream of the three-day hearing. The audio was broadcast live over the internet and accessible through the agency website. This allowed staff, Georgia constituents, and other stakeholders to listen to the broadcast from their computer. The audio broadcast saves money and travel time needed for Commission staff to access hearings and other public meetings.
- Development staff created an application to increase efficiency of the Facilities Protection staff and improve compliance with the federal requirements. Pipeline Safety inspectors are able to view brief summaries of inspections; create reports based on dates, operator, and inspector names; and search and view information based on inspections, violations, and Notice of Incident (NOI). Query results are viewable via the screen or an Adobe Acrobat Portable document for saving, printing, or e-mailing. Reports include statistics on operators and inspections, such as statewide summaries of operators by type, the number of operators, number of operators inspected, number of inspection units, the units inspected, and inspection activity by the inspection type.
- Development staff in conjunction with the Consumer Affairs Unit completed work on a Consumer Reporting Services application. This application is in testing and will be available for external and internal stakeholder use in early 2006. The Consumer Affairs Unit is responsible for handling marketer complaints for the electric, telecommunications, natural gas, and transportation industries. The new system eliminates the legacy application that used an antiquated database platform, is web-based, and allows utility companies to have access to complaint information. Other features include customizable tasks, supporting documents, internal discussion threads, automated system tasks, information sharing workspace, customizable search functionality, extranet functionality for utility providers, scalable/customizable screens, customizable alerts (system and application level), and enhanced application security.
- The Commission network infrastructure expanded in 2005 prior to moving part of the staff into new offices. Technology staff performed the hardware infrastructure upgrade with little disruption to agency network services. Technical staff was able to improve the performance of the network and increase internal and external user satisfaction.

- Technology staff continually strives to improve stakeholder satisfaction by eliminating most spam from the user inbox by implementing a highly rated and cost effective spam filtering hardware appliance. Network outages and application downtime were minimal compared to previous years. The helpdesk is available via telephone around the clock for constituents, staff members, and marketers experiencing technical difficulties with PSC technology services and applications.

The technology and development staff at the Commission continuously researches methods to improve efficiency, and internal and external communications. Doing so helps Commissioners and staff to assist Georgia's citizens in a professional, timely, and accurate manner. The overall strategy of the Commission's Information Technology Office during 2005 was to build upon lessons learned in 2004 to enhance end-user experience and expand knowledge of the mission of the Commission.

Transportation Unit

Effective July 1, 2005, House Bill 501 transferred the regulatory authority for household goods carriers, limousines, buses, and nonconsensual towing from the Department of Motor Vehicle Safety (DMVS) to the Public Service Commission. Two staff members from DMVS were reassigned to the Commission to manage the motor carrier programs and to maintain regulatory responsibility.

The transition was challenging, given the reduced staffing level that was allocated. Nevertheless, the management team's commitment to public service ensured that a successful transition took place.

With respect to its regulatory obligations, the Commission has responsibility for over 900 "for hire" intrastate motor carriers. Transportation duties include permitting and certification, training new carriers, auditing records, investigating consumer complaints, taking action against illegal operators and maintaining insurance filings for all licensed carriers under PSC jurisdiction.

In 2005, the Commission processed 287 applications and issued over 300 permits and certificates. The Unit met its responsibility for monitoring carrier insurance coverage by processing over 3,000 insurance filings.

Expectations are that regulated businesses will be customer-driven, customer-focused and customer sensitive. To assure that these expectations are met, staff conducts routine performance audits as part of its responsibilities. In 2005, staff provided 59 audits of transportation companies and conducted 22 training sessions for 85 individuals. Carriers receive instruction and training on how to follow and apply the transportation rules and regulations and the tariffs.

The staff is also proactive in assisting the public when transportation related problems occur. During 2005, the Commission investigated 63 household goods complaints, 33 non-consensual towing complaints and six limousine complaints. Georgia consumers received \$15,082 in refunds for household goods overcharges, as determined by unit audit or through complaint investigation. Additionally, nonconsensual towing refunds totaled \$1,200 as a result of wrongful charges.

AGENCY BUDGET

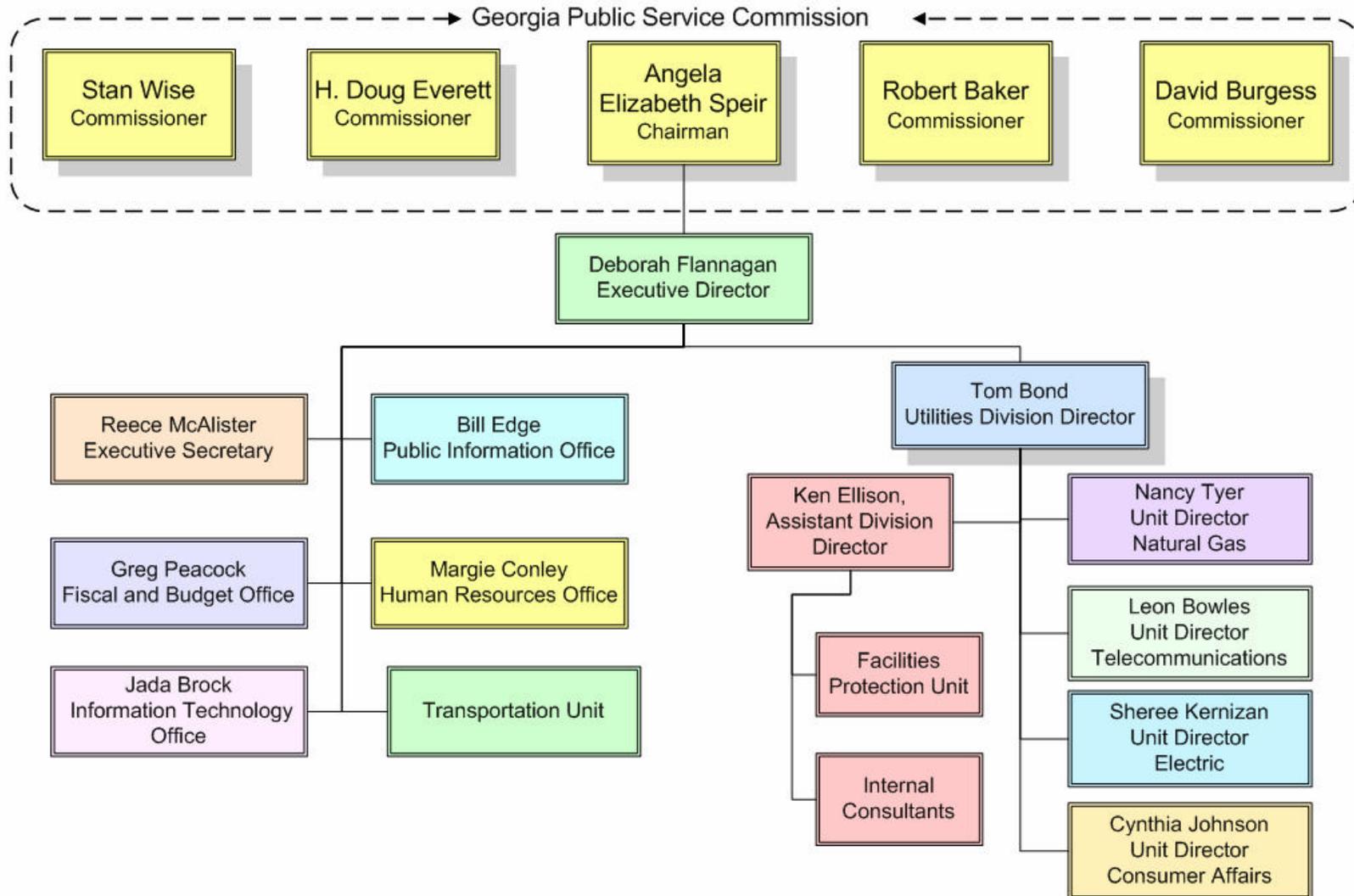
	Fiscal Year 2004	Fiscal Year 2005	Fiscal Year 2006
Revenue			
General Assembly Appropriations	\$8,525,025	\$8,031,020	\$8,405,867
Federal and Other Funds	\$516,089	\$647,605	\$307,211
Total	\$9,041,114	\$8,678,625	\$8,713,078
Budgeted Expenditures			
Personal Services	\$6,493,395	\$6,431,840	\$6,915,252
Regular Operating Expenses	\$269,924	\$291,120	\$425,711
Travel	\$85,990	\$87,637	\$89,376
Motor Vehicle Purchases	\$19,634	\$16,474	\$0
Equipment	\$21,357	\$65,630	\$15,300
Computer Charges	\$262,458	\$220,172	\$237,030
Real Estate Rental	\$494,933	\$501,955	\$550,329
Telecommunications	\$88,484	\$80,340	\$112,186
Per Diem and Fees	\$1,013,925	\$983,457	\$367,894
Contracts	\$290,474	\$0	\$0
Total	\$9,041,114	\$8,678,625	\$8,713,078
Associated Revenue			
Regulatory Assessment Fees Paid Directly to Dept. of Revenue	\$1,050,000	\$1,050,000	\$1,050,000
Transportation Fees Collected	\$0	\$0	\$5,805
Regulatory Fees Collected and Remitted to State Treasury	\$3,450,614	\$2,066,324	\$739,170
Total	\$4,500,614	\$3,116,324	\$1,794,975

Notes:

FY 2006 Budget is through Amendment # 2

Fees collected in FY 2006 are through February 28, 2006

ORGANIZATIONAL CHART



Notes

